

2024

ESG REPORT



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

About This Report

Sun Hung Kai & Co. Limited (stock code: 86), commonly referred to as SHK & Co., along with its subsidiaries (collectively known as the Group), is delighted to present its Environmental, Social, and Governance (ESG) Report for the year 2024. This Report sets out the Group's sustainability approach, policies, initiatives, and performance, focusing on the period from 1 January 2024 to 31 December 2024 (the Reporting Period).

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

SHK & Co.'s credit, investment management, and funds management businesses in Hong Kong and Mainland China are covered by this Report. It does not cover activities with no physical operations nor joint venture companies in which the Group has no operational control. Unless stated otherwise, the Report encompasses the offices and branches of the following units and their subsidiaries in Hong Kong and Mainland China:

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

This Report has been carefully compiled using information gathered within the Group. The Group has internal control and formal review processes to verify the accuracy and reliability of that information. The Board of Directors (the Board) has reviewed and approved this Report. Throughout its preparation, we have adhered to the reporting principles of "materiality," "quantitative," "balance," and "consistency."

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

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

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

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

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

Opinion and Feedback

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

Sun Hung Kai & Co. Limited
40/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong
Tel: (852) 3748 2823
Email: investor.relations@shkco.com

ESG Performance Highlights

Overarching

- **Independent Audit and Assurance:**
Engaged an independent third party to verify and provide additional assurance on this Report.

Our Business and Customers

- **UNSDG-Aligned Investments**
Our target for UNSDG-aligned investments increased from 30% to 50% in our 2023 ESG report, achieving this goal in 2024.
- **Responsible Investment Policy**
Launched our Responsible Investment Policy to reinforce the Group's commitment to responsible investing. This policy integrates ESG considerations into our investment decision-making through various screening and alignment procedures.
- **Information Security Management System Enhancement**
Transitioned UAF's information security management system to newer and more stringent ISO 27001:2022 certification for improved data protection and compliance.
Achieved Payment Card Industry Data Security Standard ("PCI-DSS") 4.0 compliance for the credit card business of UAF.
- **Financial Inclusion and Protection Disclosure Enhancement**
Elaborated initiatives and trainings on financial inclusion and protection for UAF customers.
Enhanced disclosure on consumer financial protection training for UAF employees.

Our People

- **Employee Growth and Development**
132% increase in average training hours per employee.

Our Environment

- **Progress of Environmental Targets**
Over 40% reduction in paper consumption compared to 2023 levels.
Over 30% reduction in water consumption compared to 2023 levels.
- **Climate Risk Assessment Enhancement**
Expanded our climate risk assessment to include climate scenario analysis.

Awards and Recognitions

Award Name	Awarding Institution
SHK & Co.	
Standard Chartered Corporate Achievement Awards – Sustainable Corporate (Social Responsibility – Outstanding Award) (2024)	Standard Chartered
Listed Company Awards of Excellence (2018- 2024)	Hong Kong Economic Journal
Listed Enterprises of the Year (2018-2024)	Bloomberg Businessweek/Chinese Edition
Listed Enterprises – Best Risk Management (2024)	Bloomberg Businessweek/Chinese Edition
Asian Excellence Awards – Asia’s Best CEO (2024)	Corporate Governance Asia
Asian Excellence Awards – Asia’s Best CSR (2024)	Corporate Governance Asia
Asian Excellence Awards – Best Investor Relations Company (2016-2019, 2023-2024)	Corporate Governance Asia
Asian Excellence Awards – Best Corporate Communications (2023-2024)	Corporate Governance Asia
China IR Annual Awards – Best Value Creation Award (2024)	Roadshow China
Caring Company (2016-2024)	The Hong Kong Council of Social Service
Happy Company (2021-2024)	Happy Index Foundation
Gold Award Winner of The Asset ESG Corporate Awards (2013-2018, 2020, 2022-2024) Titanium Award Winner of The Asset ESG Corporate Awards (2019, 2021)	The Asset
Gelonghui Jinge Awards: ESG Disclosure Excellence Enterprise (2024)	Gelonghui
Green Office Award & Eco-Healthy Workplace (2021-2024)	World Green Organisation
Good MPF Employer (2014-2024)	Mandatory Provident Fund Schemes Authority
The Racial Diversity and Inclusion Charter for Employers (since 2022)	Equal Opportunities Commission

Award Name	Awarding Institution
UAF	
Best SME Partner Award (2022 – 2024)	The Hong Kong General Chamber of Small and Medium Business
The MARKies Awards – Best Use of Venue (Silver) (2024)	Marketing – Interactive
The MARKies Awards – Best Use of Out-Of-Home (Silver) (2024)	Marketing – Interactive
Marketing Excellence Awards – Excellence in Omnichannel (Bronze) (2024)	Marketing – Interactive
DigiZ Awards – Best Effective Search Campaign Gold Award (2022-2024)	Marketing – Interactive
Sparks Awards – Best Media Campaign – Out of Home (2024)	Marketing – Interactive
Good MPF Employer (2023-2024)	Mandatory Provident Fund Schemes Authority
ACES Awards – Outstanding Leader in Asia (CEO and Executive Director) (2024)	MORS Group
ABF Retail Banking Awards (2024)	Charlton Media Group
Manpower Developer (2012-2024)	Employees Retraining Board (ERB)
Happy Company Award (2017-2024)	Happy Index Foundation
Caring Company (2005-2024)	The Hong Kong Council of Social Service
Partner Employer Award (2024)	The Hong Kong General Chamber of Small and Medium Business
The Racial Diversity & Inclusion Charter for Employers (Since 2020)	Equal Opportunities Commission
Good Employer Charter (2024)	Labour Department
Joyful@Healthy Workplace Charter (2024)	Occupational Safety & Health Council
Mental Health Workplace Charter (2024)	Occupational Safety & Health Council
Privacy-Friendly Awards (Gold Award) (2023)	Officer of the Privacy Commissioner for Personal Data (PCPD)
2024 CIO100 ASEAN Awards (Chief Information Officer) (2024)	Foundry Co.

Award Name	Awarding Institution
SHK Credit	
iChoice Most Popular Mortgage Service Provider (2017-2024)	iChoice Award
Headline No. 1 Awards “No.1 in Loans and Financing Services” (2023-2024)	Sing Tao Limited

Our Sustainability Commitment

At SHK & Co., we recognise sustainability is crucial to long-term success. We support the United Nations Sustainable Development Goals (UNSDGs) and integrate them into business practices. Our Sustainability Policy, unveiled in 2020 and regularly updated, serves as a guiding framework and outlines values we uphold across our business. ESG factors are made part of our decision-making processes. For example, we incorporate UNSDGs into our Private Assets Portfolio Management System, so we can monitor our sustainable investments and progress in an effective and timely manner.

To achieve our objectives, we align our plans with international initiatives. To ensure sustained value creation for our co-workers, partners, communities, and the planet, we have established ESG related targets and assess our progress annually. Through this comprehensive approach, we aim to foster a positive and lasting impact on our stakeholders, society, and the environment.



Building on our accomplishments last year, we reassessed and updated our ESG goals. To further reduce our own environmental footprint, we actively seek innovative solutions and integrate environmentally friendly practices in our operations. Sustainability, corporate resilience and growth are interconnected. By leveraging our resources, expertise, and collaborative partnerships, we strive to create a more sustainable future that benefits the Group, society and the environment. To reflect our ongoing commitment to sustainability, this year we have set a new GHG emission target.

Environmental Aspect	Targets	Our Progress as of the End of 2024
General	<ul style="list-style-type: none"> Maintain at least 50% of the Group's investment portfolio with alignment to UNSDGs annually. Participate in an ESG/sustainability-related activity in financial industry annually. Organise an environmental initiative that reduces or offsets environmental impact annually. 	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
Greenhouse Gases	<ul style="list-style-type: none"> By 2030, reduce GHG scope 2 emissions by 35%¹, compared to FY20. 	In Progress
Waste	<ul style="list-style-type: none"> Ensure that 90% of office paper is certified FSC or PEFC paper annually. By 2025, reduce absolute paper usage by 35%, compared to FY19 baseline. By 2025, maintain use of paper cheques issued for customer funding to be 10% or below at UAF. By 2024, reduce individual desk bin by 25% and increase recycling points at SHK & Co. By 2024, eliminate the use of single-use tableware in office. By 2024, deliver a 1-hour training session to staff on waste generation and management. 	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
Electricity	<ul style="list-style-type: none"> By 2025, reduce absolute electricity usage by 25% compared to FY19 baseline. Maintain energy-efficient and smart office facilities installation strategically. 	<p>Achieved</p> <p>Achieved</p>
Water	<ul style="list-style-type: none"> Minimise the consumption of bottled/barrel water. 	Achieved

¹ Assuming emission factors (EFs) for the following years up till 2030 will remain constant at the 2020 levels.

Stakeholder Engagement

SHK & Co. actively engages with its stakeholders to gather their insights, perspectives and expectations for the Group. This ongoing process is vital for our continuous improvement and development across all operational divisions. By deepening our understanding of our stakeholders' viewpoints, we can identify and verify key ESG topics to prioritise. The following table summarises our major communication channels with both internal and external stakeholders.

Key Stakeholder Groups

Engagement Channels

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

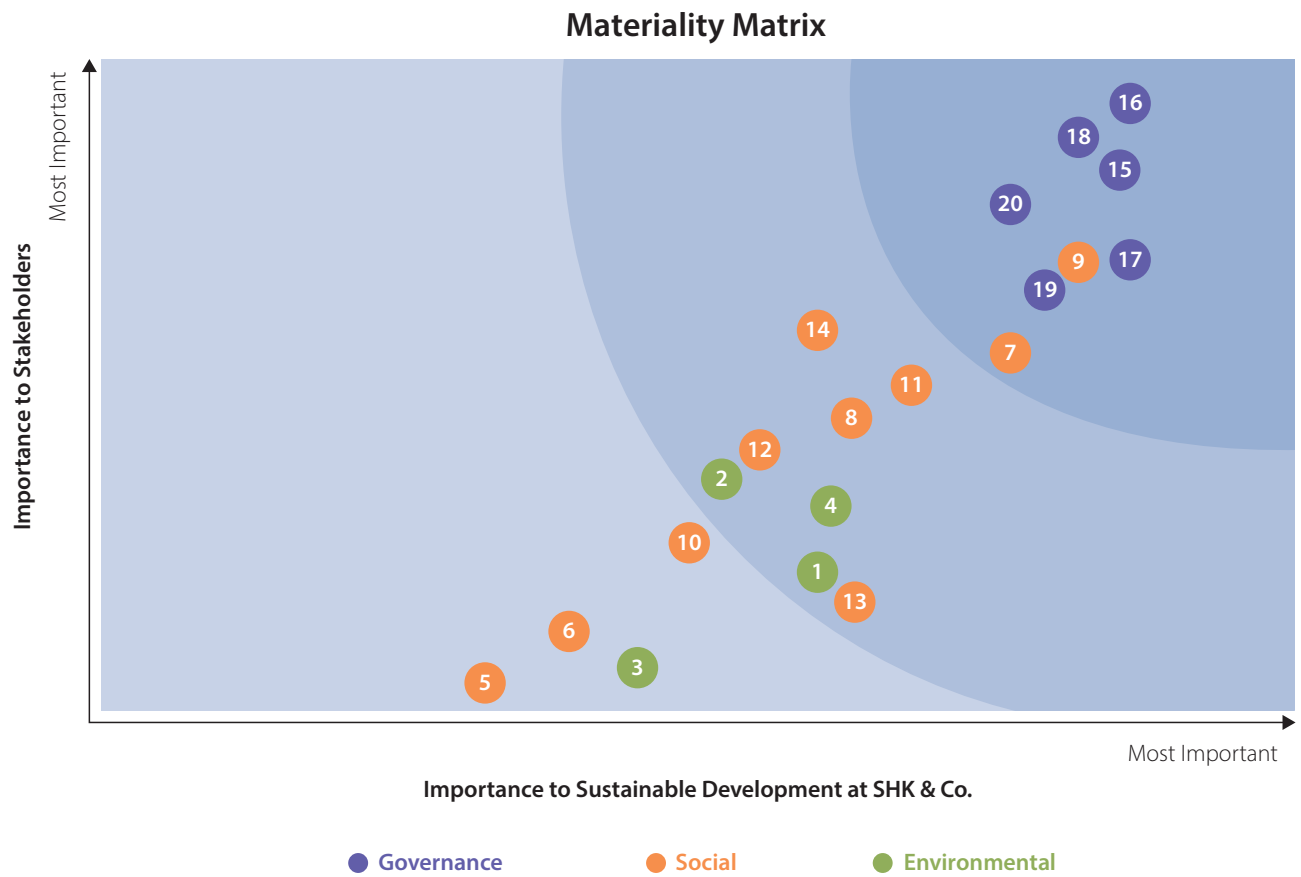
Materiality Assessment

The Group values the views of both its internal and external stakeholders. In 2024, we engaged an independent sustainability consultant to collect feedback from our stakeholders on the Group's ESG performance and to pinpoint the sustainability issues they view as most significant. This valuable information allows us to align our business practices more effectively, optimise our resource use, and refine our strategies to focus on these key priorities. Our key stakeholders include Directors and Management, Employees, Fund and Business Partners, Shareholders and Investors, Financial Counterparts and Suppliers, Investees/Portfolio Companies, Community Partners and Non-governmental Organisations (NGOs) and the Media.

In accordance with the relevant principles defined by the GRI Standards, we adopted a three-step approach to assess the materiality of ESG issues:

1. Identification	Based on last year's materiality assessment, we identified 20 focus points. The set of material issues was determined through peer benchmarking, a discussion with senior management, consideration of the Group's corporate values and reference to GRI Standards.
2. Prioritisation	We collected feedback from material stakeholders via online survey, ranking material ESG issues by their perceived importance. 10 members of the Board and management were invited to rank the importance of material issues for the Group's sustainable development, whilst 635 other stakeholders, including shareholders/investors, employees, fund/business partners, banks/brokers, suppliers, investees/portfolio companies, community partners/NGOs, and the media were surveyed to rank based on their preferences and perceptions.
3. Validation	The list of material topics and materiality assessment results were presented to senior management for input and validation and then considered by the ESG Committee and the Board of SHK & Co.

The following materiality matrix presents the relative importance of the material issues to our stakeholders and to the sustainable development of the Group. The material issues are subsequently grouped under three tiers of importance in the table below.



The 20 material issues identified above, covering aspects of environment, social and governance, are summarised in the table below along with their impact boundary.

Aspect	Issue		Impact Boundary							
			Directors/Management	Employees	Fund/Business Partners	Shareholders/Investors	Banks/Brokers	Suppliers	Community Partners/Non-governmental Organisations	Media
Environment	1	Greenhouse Gases Emissions & Climate Change (e.g. extreme rainfall events)				•	•		•	•
	2	Energy and Resource Use	•		•	•	•		•	•
	3	Investment in Green Finance (e.g. green bonds & loans)				•	•			•
	4	Waste & Paperless Operations	•			•	•		•	•
Social	5	Community Investment (e.g. investment in community projects)			•	•	•		•	•
	6	Community Partnership and Engagement (e.g. sponsorship, donation, volunteering)			•	•	•		•	•
	7	Employee Development and Training				•	•	•	•	•
	8	Diversity and Equal Opportunities			•	•	•		•	•
	9	Employee Health and Well-being		•	•	•	•	•	•	•
	10	Investor/Customer Engagement and Relations			•	•	•		•	•
	11	Product and Service Quality			•	•	•		•	•
	12	Responsible Marketing				•	•		•	•
	13	Supplier Management & Procurement Practices			•	•	•		•	•
	14	Talent Recruitment and Retention		•	•	•	•	•	•	•
Governance	15	Business Integrity and Ethics	•	•	•	•	•	•	•	•
	16	Compliance with Laws and Regulations	•	•	•	•	•	•	•	•
	17	Corporate Governance	•	•	•	•	•	•	•	•
	18	Data Privacy and Cybersecurity	•	•	•	•	•	•	•	•
	19	Financial Performance	•	•	•	•	•	•	•	•
	20	Risk Management	•	•	•	•	•	•	•	•

In 2024, governance-related issues once again took centre stage. There is a clear trend towards greater emphasis on “Risk Management” and “Data Privacy and Cybersecurity” given the reports of increased cyber threats and data breaches globally in 2024, with the corresponding need for heightened awareness and protection of sensitive information.

The 8 most material issues are detailed in this report in accordance with the relevant GRI Standards where applicable.

Most Material Issues (Tier 1)	Moderate Material Issues (Tier 2)	Less Material Issues (Tier 3)
Compliance with Laws and Regulations	Talent Recruitment and Retention	Investor/Customer Engagement and Relations
Data Privacy and Cybersecurity	Product and Service Quality	Investment in Green Finance (e.g. green bonds & loans)
Business Integrity and Ethics	Diversity and Equal Opportunities	Community Partnership and Engagement (e.g. sponsorship, donation, volunteering)
Corporate Governance	Responsible Marketing	Community Investment (e.g. investment in community projects)
Risk Management	Waste & Paperless Operations	
Employee Health and Well-being	Energy and Resource Use	
Financial Performance	Greenhouse Gases Emissions & Climate Change (e.g. extreme rainfall events)	
Employee Development and Training	Supplier Management & Procurement Practices	

Our Business and Governance

The Group has incorporated ESG factors into our core strategy to drive sustainable business operations, supported by robust governance and proactive management. Our governance framework and adherence to business ethics underscore our dedication to create a financial institution rooted in reliability, integrity, and resilience.

Financial Performance

Guided by a desire for long-term returns, we prioritise sustainability and the preservation of future value to promote enduring success and growth. Recognising the risks associated with climate change, we have integrated ESG considerations into our business decisions and strategy. ESG principles are integral to our investment approach. Our target is to maintain at least 50% alignment of the Group’s investment portfolio with UNSDGs. This target is subject to annual review. We are proud to have successfully achieved it in 2023 and 2024. We supported the Task Force on Climate-Related Financial Disclosures (TCFD) under the Financial Stability Board from 2022 to 2023, further demonstrating our commitment to enhancing the transparency and reliability of climate-related disclosures for our stakeholders. In 2024, we updated our measurement metrics of climate-related risk and opportunities, and adopted various methods to manage risks.

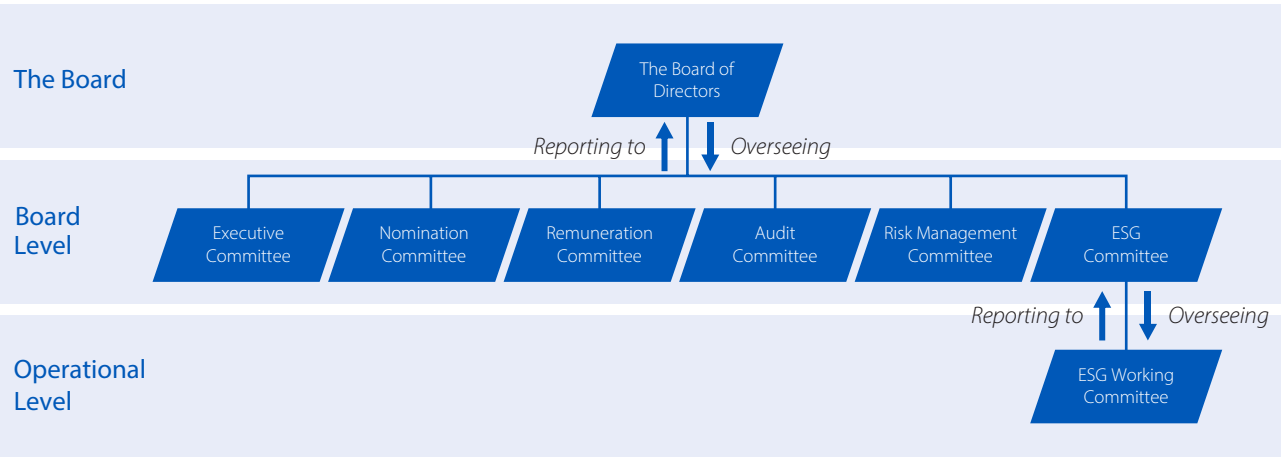
In particular, the Group has documented its Responsible Investment Policy to underscore its ongoing approach to responsible investing. This policy focuses on incorporating ESG considerations into investment decision-making through a range of investment screening and alignment processes, thereby further reinforcing our long-term sustainable growth strategy.

- For further information of our financial performance: see our Financial Statements and Annual Report 2024.

Corporate Governance Governance Structure

The Group upholds high standards of corporate governance with transparency, integrity, accountability and equity serving as a cornerstone for responsible corporate behaviour. Under our governance framework, the Group is well-positioned to manage risks and seize opportunities, ensuring sustainable growth while safeguarding the long-term interests of its stakeholders. In line with the latest regulatory requirements and good practice, the Board has established six standing Board Committees in discharging its duties. Our Corporate Governance Policy (the “CG Policy”) outlines roles and responsibilities of the Board, its interaction and formation or use of Board Committees, Company Secretary, Management and Staff and Risk Management and Internal Control, External Auditors and Communications with our Shareholders.

Three-tier Governance Structure



ESG Governance Structure

The Board serves as the Group's highest management authority and is responsible for overseeing the Group's ESG matters and approving its ESG reports. To elevate our ESG focus, the Board established the Board-level ESG Committee in 2023 and followed up with the ESG Working Committee in 2024, more about which below.

The Board-level ESG Committee, comprises management, executives, and independent directors across all key business units. It reports directly to the Board. This Committee plays a lead role in shaping and reviewing the Group's ESG vision, performance, strategies, and practices. Its responsibilities include overseeing policy implementation, evaluating ESG performance and targets, managing ESG risks, and staying abreast of evolving ESG standards and regulations. The ESG Committee convenes at least twice annually, providing regular updates directly to the Board. Details on its structure, responsibilities, and 2024 work performed can be found in the "Corporate Governance Report" of the Annual Report 2024.

This year, we established the ESG Working Committee, an operational level subcommittee that operates under the ESG Committee, to further enhance our ESG management system. Comprising dedicated members from key business units within SHK & Co. and its subsidiaries, the ESG Working Committee promotes ESG targets and strategies and their effective implementation across the Group. The ESG Working Committee meets at least twice annually, with the flexibility to convene additional ad hoc meetings as needed to address issues that may arise.

Our ESG governance structure is shown in the diagram below:



The Group recognises diversity in enhancing board effectiveness and corporate governance. Our Board Diversity Policy sets out objectives for candidate selection, ensuring a well-rounded and complementary Board. The current composition of our Board reflects a diversity in gender, race, and professional backgrounds, with expertise spanning finance, legal, management, and a broad range of industries. As of the end of 2024, 60% of the Board are Independent Non-executive Directors, of whom two are female.

- For further information of our governance structure: see our Corporate Governance Code.

Policy Commitments

The implementation of our ESG policies is overseen by our board-level ESG Committee and the Board. We have a range of engagement channels including email, information sharing platforms, meetings and correspondence, employee orientations, townhalls and contract signings to communicate our policy commitments to our employees, business partners and other stakeholders. The Group's policies are reviewed and updated to reflect changes in regulatory requirements, the business environment, and stakeholder expectations.

Overarching
<ul style="list-style-type: none"> Corporate Governance Policy*
Environmental
<ul style="list-style-type: none"> Climate Change Policy Green Office Guidelines Sustainability Policy
Social
<ul style="list-style-type: none"> Anti-Discrimination Policy Board Diversity Policy Group Procurement Policy <ul style="list-style-type: none"> Supplier Code of Conduct Supplier Due Diligence Sustainable Procurement Staff Code of Conduct Employee Culture Guide Handbook* Shareholders' Communication Policy*
Governance
<ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption Policy Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CTF") Policy Group Enterprise Risk Management Policy Group Information Security Policy <ul style="list-style-type: none"> Cybersecurity Data Loss Prevention Disaster Recovery Plan Responsible Investment Policy Whistleblowing Policy Policy on the Disclosure of Inside Information*

*Internal policy documents

Whistleblowing Policy

The Group's Whistleblowing Policy is established to uphold the highest standard of transparency, integrity, and accountability, providing a secure channel for reporting misconduct or irregularities. This Policy now covers not only our employees, but also contractors, temporary staff, seconded staff, directors, suppliers, customers and other third-parties enabling them to express any relevant grievances through written reports submitted via post or email. This policy specifically focuses on major concerns such as inaccurate financial reporting, violations of the Group's policies or laws, significant misconduct, and other issues that may impact the Group's reputation or operations. There have been no reports under the policy this year. If any were to arise, the Audit Committee would oversee the process so that all legitimate concerns would be thoroughly investigated and appropriately addressed. We are committed to protecting whistleblowers and safeguarding their rights and interests. We have zero tolerance for any form of retaliation against individuals or departments involved in reporting whistleblowing concerns.

Conflict of Interest

Our Group Code of Conduct requires all employees to honour our business ethics when their personal interest may compete with or conflict with those of the Group. This applies to circumstances where an employee's connected person is employed by the Group and/or by a competing company, or when the employee or their connected person has an economic interest in a client, supplier, or competitor of the Group. Before engaging in any situations that may present a potential conflict of interest, employees must obtain prior written authorisation. In addition, an annual non-group interest declaration is required, and employees must inform the management of any potential conflicts for guidance.

Risk Management

The Group's Risk Management is outlined in our Group Enterprise Risk Management Policy, which sets out risk management processes and procedures for identifying, assessing, managing, reporting, and monitoring enterprise risks. This effort is led by our Risk Management Committee, which is responsible for identifying and analysing potential risks to the Group. The Committee reports to the Board on any major incidents that may pose significant risk or loss exposure and meets at least quarterly.



Our risk governance structure is built upon the “Three Lines of Defence” model, which provides clear definitions of roles and responsibilities, and establishes robust oversight mechanisms for risk management and decision-making processes.

First Line of Defence
Business functions and their respective line managers own and manage risks and controls across the processes they operate.
Second Line of Defence
Risk Management and Compliance, supplemented by other overseeing functions, such as Finance.
Third Line of Defence
The Internal Audit function provides independent assurance over the 1st and 2nd lines. The Group may employ external consultants to perform or support the internal audit reviews.

In alignment with the requirements of The Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange, our Group Enterprise Risk Management (“ERM”) was established with the primary objectives to set goals and strategic objectives, integrate risk assessment, with a focus on environmental risks and financial impacts.

Enterprise Risk Management (ERM)

During the year, the Group’s risk management practices have achieved the following:

- **Strengthening of Controls:** Implemented additional controls and enhanced existing ones, resulting in reduced overall risk.
- **Staff Awareness on Risk and Controls:** Conducted risk training sessions and introduced an Enterprise Risk Management quarterly bulletin.
- **Refinement of Risk Appetite:** Reviewed and fine-tuned the risk appetite.
- **Enhancement of the Electronic Risk Management System:** Enhanced the system to cope with the business changes.
- **Proactive Risk Monitoring:** Through regular Risk Committee meetings, the Group proactively monitors both emerging and existing risks. In-depth discussions address high-priority risks.

Disaster Recovery Plan

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

In 2024, we completed the following:

1. **Reviewed and updated the DRP**
 - Identified critical systems and operations
 - Evaluated disaster scenarios
 - Updated communication and escalation plans
 - Updated data backup and recovery plans
2. **Conducted the DRP drill test**
 - Prepared resilience site using Virtual Desktop
 - Updated the drill test script to include newly implemented application system
 - Invited members from different teams to participate in the drill test with result and passing rate recorded
 - Prepared drill test report for management review with a “lesson learned” section

Compliance with Laws and Regulations

Compliance is a cornerstone of effective corporate governance. The Group has in place policies and procedures to comply with all applicable laws and regulations across the jurisdictions where it conducts business and operates, to achieve high standards of integrity and accountability.

Anti-Bribery and Anti-Corruption

The Group's Anti-Bribery and Anti-Corruption Policy establishes clear principles and requirements for managing risks related to corruption, bribery and fraud. Implementation of the policy is mandatory across all business units of the Group. All units are required to develop their tailored policy to address specific requirements such as any licensing requirements, extra-territorial legal obligations, and specific business requirements. We comply with anti-corruption laws and regulations, including the Prevention of Bribery Ordinance (*Cap. 201 of the Laws of Hong Kong*). Any breach, or suspected breach of this Policy will be investigated, disciplinary actions (including termination of employment) may be instigated and appropriate action (which may include reporting to the appropriate authorities) will be taken as necessary. As a long-standing practice, the Group has regularly arranged anti-corruption and anti-bribery training sessions, including for example from the Independent Commission Against Corruption (ICAC), for the Board and employees.

Anti-Money Laundering

The Group is determined to prevent and detect any money laundering and terrorist financing in our activities. Our Anti-Money Laundering ("AML") and Counter-Terrorist Financing ("CTF") Policy applies uniformly across the Group and all its subsidiaries. Suspicious activities, including those associated with the stages of money laundering—placement, layering, and integration—are closely monitored. Robust monitoring protocols are in place for loan applications and subsequent transactions to ensure compliance and mitigate risks. By 2024, mandatory training on AML and CTF was completed by all relevant employees, including permanent full-time staff. In addition, specific compliance training on financial crimes, fraud awareness, and sanctions has also been delivered to the UAF employees.

- More information on the Group's adherence to laws and regulations can be found in the "Relevant Laws and Regulations" section of this Report.

Business Integrity and Ethics

Intellectual Property

The Group's intellectual property rights, as outlined in the Employee Culture Guide and Handbook undergo an annual review to ensure they remain robust and up to date. The unauthorised use of our intellectual property for personal gain or granting access to third parties is strictly prohibited. Employees must obtain formal permission before using the Group's name, slogan, mark for any product, programme, or service. As for technology support, our Information Technology Department conducts routine inspections on employees' computers for any unauthorised or illegitimate software. As of the end of 2024, the Group held 75 (2023: 74) trademark registrations in Hong Kong and Mainland China, and 55 trademarks overseas, underscoring our commitment to protecting our intellectual property globally.

Human Rights

Human rights are the foundation of our sustainable values. We have zero tolerance on child labour or forced labour in our operations or use by our suppliers or in any businesses in which we invest.

To uphold these principles, we implement rigorous measures, including comprehensive vetting and background checks for all employees. During the hiring process, employees are required to provide valid personal identification documents for verification. During the Reporting Period, no violation of relevant laws or regulations, and no cases in regard of labour or human rights abuses were reported.

Additionally, the Group's Supplier Code of Conduct requires all our suppliers to comply with applicable law and regulations related to ethical, human rights, equality, and employment standards. This ensures alignment with our commitment to fostering a fair, ethical, and inclusive business environment across all levels of our operations.

Supplier Management and Procurement Practices

The Group integrated ESG considerations into its procurement processes through our Group Procurement Policy which is applicable to all suppliers, data providers, service providers, contractors and subcontractors excluding financial counterparties. As stated in our Supplier Code of Conduct, business representatives are required to complete a Supplier Due Diligence Form before engagement for transactions exceeding HKD5,000,000 annually. Suppliers are categorised as key or non-key based on their criticality to operations, with enhanced due diligence required for key suppliers. Additionally, suppliers must adhere to applicable data protection laws and regulations in their respective jurisdictions, particularly concerning the personal data of employees, customers, and shareholders. Collaboration with a diverse range of suppliers is guided by criteria such as cost, reputation, and value-added services. As of the end of 2024, the Group had 795 suppliers globally, including those based in Hong Kong, Mainland China, Singapore, the UK (United Kingdom) and the US (United States).

Supplier Code of Conduct	
Compliance and Business ethics	Data Protection and Privacy
We do not tolerate bribery or corruption in any form. All suppliers must implement anti-bribery and anti-corruption policies and comply with relevant laws and regulations in their respective jurisdictions, as well as SHK & Co.'s Anti-Bribery Policy and Anti-Corruption Policy. Additionally, suppliers are required to avoid conflicts of interest by making every reasonable effort to explicitly notify and resolve any personal or financial interests, or relationships that may affect objectivity and impair proper decision-making. This ensures that the quality of products and services meets our standards.	We require that all suppliers implement their own cybersecurity or information security policy and comply with applicable data protection laws and regulations in their respective jurisdictions, particularly regarding the personal data of employees, customers, and shareholders. Suppliers are required to safeguard and make appropriate use of confidential information, and they must adhere to all contractual obligations related to data protection and information security. This helps protect sensitive information and ensures compliance with our standards.

Supplier Due Diligence Form

We conduct due diligence on suppliers with an expected annual spend of over HKD5,000,000 and monitor them throughout the procurement process. This includes assessments related to business ethics, occupational health and safety, data protection and privacy, business continuity plan, as well as human rights and labour practices.

In alignment with the Authorised Agents Manual, we partner with external debt collection agencies to support our loan business. Authorised agents undergo regular evaluation focusing on factors such as data management, service effectiveness and relevant compliance.

Our People

The Group highly values its employees, recognising them as our most valuable asset and essential to our sustainable growth. We have implemented policies and initiatives to enhance our employee value proposition, focusing on creating a safe, inclusive, and dynamic work environment that fosters equality, diversity, and talent development. We empower our workforce through a range of impactful training programmes, competitive reward schemes, and holistic well-being initiatives. These efforts are aimed at equipping our employees with the skills and opportunities they need to thrive and excel in their careers, ensuring both individual and organisational success.

The Employee Culture Guide and Handbook serves as a central component of our human resources management, providing a structured outline for the key elements that govern our workforce. This document details the conditions of employment, recruitment and promotion, working conditions, benefits and remuneration, code of conduct, as well as training and development. In view of business needs and market conditions, our People & Culture department is dedicated to regularly reviewing and updating the Handbook. These updates are informed by evolving business needs, market trends, and legal requirements, ensuring alignment with the dynamic landscape of our industry and regulatory environment.

Diversity, Equity and Inclusion Opportunities

The Group is dedicated to fostering equal opportunities and maintaining a workplace free from discrimination. Recruitment decisions are made solely based on a candidate’s skills, qualifications, and abilities, ensuring a fair and merit-based selection process. We value the diverse backgrounds and perspectives of our employees, recognising the enrichment that mutual learning and collaboration bring to our organisation. We proactively encourage equal opportunity in our workplace and hiring procedures to accomplish this goal.

The Group’s Anti-Discrimination Policy underscores our commitment to zero-tolerance for any form of discrimination, including but not limited to discrimination based on gender, age, race, etc. In cases of unlawful discrimination, the Group is prepared to take swift and necessary remedial action. Employees found to have violated this policy may face disciplinary measures, up to and including immediate termination of employment. To encourage and support racial diversity and inclusion in the workplace, we have signed The Equal Opportunities Commission’s Racial Diversity and Inclusion Charter for Employers. We also remain steadfast in providing reasonable accommodations for individuals with disabilities and encourage employees to report any instances of illegal harassment, discrimination, victimisation, or defamation. At the leadership level, our Board Diversity Policy champions diversity in board composition, ensuring a broad range of experiences and perspectives at the highest level of management.

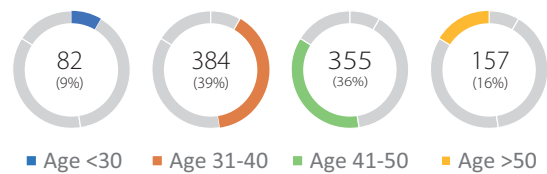
To uphold and promote the concept of diversity, equality and inclusion, we adhere to principles of fairness and equality in our employment practices through the following measures:

Aspect	Measures
Policies	<p>Anti-Discrimination Policy:</p> <ul style="list-style-type: none">uphold a work environment free of unlawful discrimination and harassment <p>Board Diversity Policy:</p> <ul style="list-style-type: none">cultivate and promote our inclusive culture
Learning	<p>Work Experience Improvement:</p> <ul style="list-style-type: none">regularly collect employee feedback through engagement surveys to improve work experience <p>Employee Training:</p> <ul style="list-style-type: none">collaborate with third parties to offer Diversity, Equity, and Inclusion (DEI) workshops and training programmesprovide e-learning courses on DEI through UAF’s Learning Management System (LMS)
Reporting	<p>Formal Grievance Escalation:</p> <ul style="list-style-type: none">encourage employees to report incidents of unlawful discrimination, harassment, or human rights issues confidentially via our robust complaint handling procedures and whistleblowing channelsprocess overseen by the Head of People and Culture to ensure no retaliation occurs

DEI Workshop

We partnered with Encompass HK to organise a “Beer, Chocolate, and Inclusion Workshop” for all employees from SHK & Co. and SHK Credit, focusing on diversity, equity, inclusion, and allyship. Participants engaged in discussions about non-conscious biases, gender stereotypes linked to flavour preferences, and diversity challenges in Hong Kong, including racial stereotypes and challenges faced by the LGBTQ+ community. It featured interactive activities like tastings and quizzes to foster bonding and sharing, promoting a supportive environment for DEI issues and reinforcing our commitment to a diverse workplace culture.

Diverse Workforce



Recognising and Rewarding Talents

The foundation of excellent performance and productivity lies in the trust between the Group and our employees. In addition to prioritising employees' voices, we also offer flexibility in the workplace, as demonstrated by our Unlimited Paid Leave Policy. By understanding our employees' needs and fostering open communication, we can enhance their overall performance and inspire them to reach their greatest potential.

We value the contributions of our employees and are committed to fostering a supportive and rewarding work environment through a comprehensive benefits system. Our offerings include competitive salaries along with a variety of employee welfare and remuneration packages tailored to different roles within the organisation.

For most employees, compensation consists of a base salary complemented by bonuses or performance-based incentives where applicable. Employees in sales roles receive remuneration packages that include base pay, commissions, bonuses, or performance-based incentives.

In addition to monetary rewards, we also offer a range of competitive fringe benefits designed to enhance employee well-being and satisfaction. These benefits include enhancements to our medical and dental coverage, as well as our innovative Unlimited Annual Leave policy. Our comprehensive benefits schemes encompass insurance and healthcare coverage, parental leave, retirement provisions, and stock options for employees at our SHK & Co. and SHK Credit Hong Kong offices.

Since 2023, UAF has been awarded with the "Good MPF Employer Award" by the Mandatory Provident Fund Schemes Authority, which demonstrated its outstanding performance in employee retirement benefits and MPF administrative management. Moreover, UAF has been named the "Caring Company" for 18 consecutive years.



HAPPY 開心企業
COMPANY

Unlimited Paid Annual Leave Policy

SHK & Co. encourages employees to take time off to recharge. We launched the Unlimited Paid Annual Leave Policy in 2018. This policy eliminates the cap on paid annual leave, reflecting our commitment to fostering an innovative and results-driven workplace. Developed through extensive research on global employee engagement practices, this policy allows employees to achieve a better work-life balance in a flexible manner, enabling them to focus on delivering exceptional results.

Employee Ownership Scheme

As a reward for their contributions, a group of employees and directors (known as the “Selected Grantees”) are eligible to acquire shares in the company under the Employee Ownership Scheme (EOS). Details of EOS can be found in the Annual Report 2024. This programme links employees’ interests with the company’s long-term development while also encouraging a sense of ownership. Our dedication to identifying and rewarding talent is demonstrated by this effort, which also makes sure that our employees feel valued and supported in their career journeys.

Diverse Benefits²

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

Cultivating Talent

We are committed to attracting, retaining, and rewarding talented individuals, regardless of their age and background, by fostering a merit-based environment that prioritises training, development and career advancement. We believe in providing equal access to quality education for promising talents, equipping them with essential skills for their future. For example, our partnership with the Hong Kong Securities and Investment Institute (HKSI) offers valuable job training opportunities in the alternative investment sector, allowing young professionals to gain practical experience and insights. Additionally, UAF has a Talent Development Programme that identifies high-potential colleagues from various departments, including Local Branch, Overseas Worker Loan, and Digital Business. This initiative aims to enrich their skills and core competencies, empowering them to unlock their full potential and advance to the next level of their careers.

Employee Health, Wellness and Safety

We are committed to creating a secure, comfortable, and healthy work environment that fosters employee success. We adhere to all government regulations and guidelines regarding occupational health, and we strive to exceed these standards by cultivating a positive workplace culture that prioritises employee well-being, engagement and personal growth. Our dedication extends to providing our staff with the resources and support they need to thrive both personally and professionally.

Occupational Health and Safety

In line with the Hong Kong Labour Department’s guidelines, including “A Guide on Employer Safety Policy” and the “Occupational Safety and Health Ordinance,” we have developed a comprehensive framework to guide our evaluation and assessment of occupational health and safety. This framework outlines our approach to measuring and managing Operational Health and Safety (OHS) risks specifically in general office settings.

Our People & Culture Department actively monitors OHS across our offices. Monthly site inspections are conducted by administrative staff to assess office facilities, ensuring safe working conditions and minimising the risk of health and safety issues. Additionally, we also encourage our employees to report any potential OHS risks they identify to the relevant departments.

² Benefits provided varies by geographical location.

Ensuring Workplace Safety

Safety Measures:

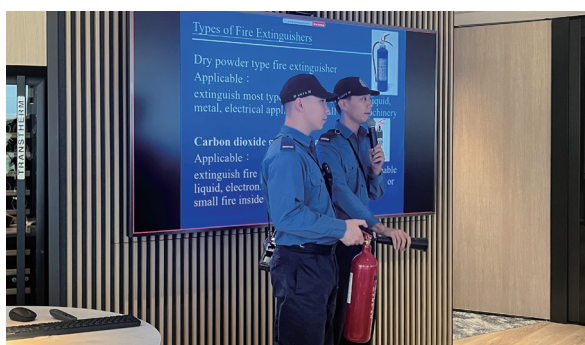
- Trained first aiders on standby for medical emergencies
- Guidelines for handling violent threats follow government recommendations
- Managed access and emergency exits meet safety and security standards

Awareness and Training:

- Familiarity of employees with fire alarms, equipment, and escape routes
- Organisation of fire safety online seminars by the Building Management Office
- Fire safety training by the Fire Services Department and office emergency readiness training
- Nomination of team fire marshals

Regular Inspections and Drills:

- Annual inspection of the fire alarm system, fire extinguishers, and emergency exit plans
- Annual fire drills
- Clear signage of escape maps in visible locations



Given the nature of our business, we face relatively low occupational hazards in our daily operations. During the Reporting Period, the Group identified 0 OHS (2023: 1) case in Hong Kong and the Mainland China Division. To enhance our preparedness, we have developed a Disaster Recovery Plan, which includes a decision tree that serves as a guideline for various scenarios. This framework allows employees to determine whether to maintain normal operations in the event of unplanned incidents related to OHS. Our proactive approach ensures that we can deliver our services with minimal business disruptions and respond swiftly to sudden changes. For more information, please refer to the “Our Business and Governance” section of this Report.

SHK & Co. is committed to continuously improving and investing in the well-being of our employees and places a high priority on employee wellness. We actively implement measures to improve their working environment and physical comfort. All workstations have been upgraded to height-adjustable desks, allowing employees to transition effortlessly between sitting and standing. This ergonomic initiative shows our commitment to employee comfort and safety while promoting better health. To enhance indoor air quality and provide our colleagues with a clean and healthy workspace, medical-grade antiviral air purifiers are placed in the office. Aligned with our commitment to sustainability and fostering a healthy indoor environment, we have also increased the presence of greenery within our office. These carefully selected plants not only enhance oxygen levels but also create a refreshing visual appeal, contributing to the overall well-being and productivity of our employees.

Promoting Health and Wellness

The Group regularly organise employee activities to provide support and resources for employees' physical and mental health. During the Reporting Period, SHK & Co. and SHK Credit organised a Mindfulness Health Talk to enhance mental well-being by teaching mindfulness techniques that reduce stress and improve focus. Alongside this, we hosted a Health Day with non-invasive cardiovascular screenings, breathwork sessions, and personalised diet advice from a dietitian. We also encouraged physical activity through a month-long steps challenge and the High-Intensity Interval Training workout session led by a qualified personal trainer, who is also a SHK & Co. staff.



UAF extends support with annual medical check-ups for staff at the manager grade and above, along with wellness workshops covering stress management and physical health. One workshop, "Let's Chill Out!", teaches quick stress-relief techniques and relaxation method. Another class focuses on fascia release using massage balls, explaining muscle trigger points and showing stretching and massage techniques. These activities reflect the Group's commitment to nurturing a culture of health and wellness among their employees.

By prioritising the health, safety, and well-being of our employees, we create a positive work environment that enhances overall satisfaction and efficiency.

Work-Life Balance and Well-being Support

SHK & Co. takes pride in fostering an environment where employees' happiness and well-being are given high priority. We recognise the importance of maintaining a positive work-life balance and believe that a supportive and inclusive workplace is essential to long-term employee satisfaction and performance.

SHK & Co. hosts events to foster employee well-being. These gatherings provide our team with opportunities to support charitable causes, to connect with colleagues, build lasting relationships, and deepen interpersonal bonds while putting an emphasis on physical activity and wellness. Additionally, we also organised team-building activities designed to inspire our employees and reinforce the company's values and behaviours.

Our monthly "Friday at Five" employee gatherings promote a sense of community and engagement within the organisation, creating a space for employees to unwind and bond. This commitment to nurturing our employees' well-being and happiness sets SHK & Co. apart as an employer that truly values its staff and their holistic needs.

Nurturing a Positive Work Culture

SHK & Co. and SHK Credit held a team-building event that highlighted our core company values of inspiration, agility, and teamwork. The event's "Beat the Box", requires teams to complete escape-room type challenges to unlock cases inside a locked metal box within a limited time. During the interactive challenges, employees actively collaborated to solve problems together, which not only sharpened their problem-solving skills and collaborative mindset, strengthening interpersonal connections among colleagues, and creating a more positive, harmonious and cooperative working atmosphere.



SHK & Co's Cultural and Team Building Activities in 2024

- Monthly "Friday at Five"
- Charity Event
- Annual Dinner
- Insights Discovery Workshops
- Welcome Lunch and Farewell Gatherings
- Team Building – Company Values and Behaviours
- "Bring Your Kids to Work" Events



"At SHK & Co., our values of being Inspired, Agile, and Teamwork are at the heart of everything we do. We believe that business growth and development are not just about achieving results, but about how we achieve them. Being Inspired drives us to think creatively and push boundaries, while staying Agile allows us to adapt quickly to challenges and opportunities in a dynamic market. Above all, our commitment to Teamwork ensures that we collaborate effectively, leveraging diverse perspectives to deliver exceptional outcomes. By living these values every day, we not only achieve our goals but also build a culture that fosters innovation, resilience, and shared success. Together, we are shaping a future that reflects both our ambitions and our principles." – **Ms. Samantha Che, Head of People and Culture at SHK & Co.**

Development and Training
















We believe that continuous training and development are key to empowering our employees with new skills and fostering a culture of innovation. As the financial services sector evolves, we stay abreast of market developments and shifting customer needs to improve our workers' resilience and adaptability, ensuring that our workforce remains competitive and equipped to drive the company's success.

UAF's Cultural and Team Building Activities in 2024

- Movie Night
- Annual Dinner
- Latte Art Workshop
- Perfume Workshop
- Sponsored Gathering
- Festive Celebrations



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

	Valuation Approach		ESG Training
	Financial Markets		Health and Safety
	Ethical Standards		Consumer Financial Protection
	Policy and Ordinance		Customer Service
	Insights Discovery		Communication and Presentation
	Taxation		Fraud Awareness
	Information Security Awareness (Privacy and Data Security)		Operating Procedures
	Compliance (including Anti-bribery, AML and CTF)		

At SHK & Co., the People & Culture team conducts trainings for all new recruits. This programme aims to introduce our core values, business operations, corporate culture, employee welfare and benefits, while also fostering networking among colleagues. Additionally, our Learning and Development Policy that support personal and professional growth encourages employees to pursue relevant licenses, job qualifications, and performance-driven training, empowering them to reach their full potential and contribute to the company's success.

We offer a diverse range of technical and soft skills training for our employees, covering topics such as AI applications, laws and regulations, mandatory compliance, anti-corruption, and essential soft skills such as leadership, communication and high-impact presentation. To promote mutual learning, we initiated "Lunch and Learn" events, allowing employees to exchange knowledge and experiences across functions. In line with our commitment to sustainability, we also held dedicated ESG training sessions to help our employees understand the importance of ESG within the context of our business operations. Specifically, we conducted training for our Board on ESG fundamentals, ratings, and compliance with laws and regulations.

UAF is committed to fostering the development of its employees and offers an advanced learning allowance for all employees, which is renewed yearly. We organise a variety of training workshops. To ensure the continuous enhancement of our programmes, employees are encouraged to provide feedback after each training session.

- More details on our training, performance reviews and other employment aspects can be found in the Performance Data Table in this Report.

Recognising the value of our employees, we conduct regular appraisals to identify areas for growth and provide the necessary resources to support their development. This approach enables us to understand the unique strengths of our employees, boosting job satisfaction, fostering career growth and ultimately contributing to higher staff retention rates and enhanced work productivity. At SHK & Co., we foster a culture of collaboration through continuous dialogue and regular feedback mechanisms that ensure our objectives and goals remain flexible and aligned. We conduct performance reviews twice a year, complemented by annual 360-degree feedback, which includes self-evaluations and input from peers and stakeholders. Additionally, people managers receive feedback from their direct reports. We encourage managers to engage in open discussions about these reviews with their teams to identify the necessary actions for future progress and improvement.

Employee Satisfaction and Engagement

The Group actively monitors employee satisfaction and engagement to ensure a fulfilling work environment. This year, we included employee satisfaction questions in the stakeholder engagement survey, which received 535 responses. Employees rated their overall satisfaction with the Group, covering work environment, culture, compensation, management communication, and growth prospects, at an average of 8.31 out of 10.

Additionally, SHK & Co. and SHK Credit conducted a company-wide 360-degree employee engagement survey through a market-leading employee experience platform, Culture Amp. Based on the survey results, we hold focus group discussions to gain deeper insights and develop action plans to further improve the employee experience. Our new-joiner onboarding programme received excellent feedback in 2024, with a satisfaction rate of 90%. A positive onboarding experience is crucial for integrating new employees into the company culture and setting them up for long-term success.

To develop a more effective training plan and enhance employee satisfaction and engagement, UAF conducted an online survey regarding training, staff engagement, and wellness activities. The results gathered will facilitate the design of more engaging programmes and practical training initiatives, ensuring a healthy work-life balance for employees.

Our Investors and Customers

As a professional financial corporation, we have a proven record of delivering value and maintaining long-term relationships with our investors and customers. We are dedicated to advancing our operational functions, enhancing our engagement strategies, and seeking growth opportunities to deliver greater, and stable value to our stakeholders.

Responsible Investing

In an increasingly sustainability-focused world, the Group recognises the growing importance of our role in advancing responsible investing. This year, we took a significant step forward with the launch of our Responsible Investment Policy (the "RI Policy"), which guides our ESG-integrated investment processes. Through the RI Policy, we aim to align our investments with broader sustainability objectives while meeting the evolving expectations of our stakeholders.

To ensure effective oversight and implementation of the RI Policy, the roles and responsibilities of the ESG Committee, Investment Committee, Investment Teams, Operational Teams, and ESG Working Committee have been clearly defined, with the support of external ESG consultants.

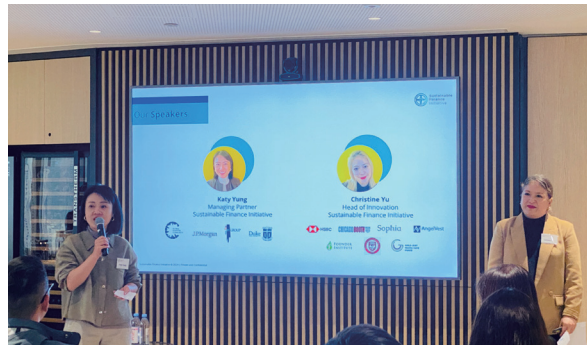
The fundamental principle of the RI Policy is to incorporate ESG considerations into investment decision-making. Good investment returns need not “cost the Earth”. To further deliver positive and measurable ESG impacts alongside an attractive financial return, we consider positively potential investments which have particular ESG benefits, including environmental protection, climate change, social equity, and ethical practices.

To further realise the strategy across all investments where we have direct discretion — including listed equities, private equity, private credit and real estate — we have adopted four key approaches covering both pre- and post-investment phases. More information on the approaches can be found in our RI Policy.

In the past few years, SHK & Co. has invested in various next-generation technology projects and emerging markets covering diverse sectors and ESG focus areas including pharmacy, energy management, and digital teaching and learning.

Collaborating with Sustainable Finance Initiative: Spotlight on Promoting Sustainable and Impact Investing Among Asian Family Office Investors

In collaboration with the Sustainable Finance Initiative and the Hong Kong Venture Capital and Private Equity Association, SHK & Co. hosted an impactful crossover family office event focused on impact investing from a family office perspective. The event featured an introduction to impact investing, discussions on key themes, and shared case studies to assist Asian investors in aligning financial investments with pressing global challenges, to create a more sustainable and inclusive future.



Notable Responsible Investments

Energy Efficiency	An energy service provider that provides loft insulation, cavity wall insulation and heating services throughout the UK, including a range of renewable energy solutions, such as heat pumps and solar photovoltaic. It prioritises community engagement and aims to provide affordable heating solutions particularly for low-income, fuel-poor and vulnerable households.
Pharmacy	A clean medicine producer that focuses on developing and delivering safe, organic, and non-genetically modified medicines that prioritise both individual well-being and the environment. The firm conducts extensive research to develop effective formulations and sources high-quality ingredients responsibly from the most sustainable suppliers. Its products meet the highest quality standards, free from harmful chemicals, unnecessary additives and artificial fillers.
Energy Management	A technology solutions provider dedicated to creating sustainable clean energy for all. The firm collaborates with utility companies to advance the decarbonisation agenda. Additionally, it empowers customers to optimise energy consumption, leading to a significant reduction in overall emissions.
Digital Teaching & Learning	A digital teaching and learning platform provider that aims to digitise the education process through intuitive, personalised tools and software that enhance student engagement. Its integrated online platform creates immersive, impactful experiences for both students and teachers, enhancing the overall learning journey.

Customer Focus

We strive to provide exceptional customer services and cultivating excellent relationships by understanding our customers' needs and exceeding their expectations. Internal guidelines and policies, customer service training and dedicated credit committee oversight are in place to ensure the delivery of excellent product and services.

Customer Satisfaction

Given that UAF alone serves approximately 99.8% of the Group's total customer base, UAF places great importance on customers' feedback. We regularly conduct satisfaction surveys, which testifies the exceptional quality of our services. In particular, our Customer Service Department ("CSD") is experienced and well-trained in handling various matters professionally, sensibly, and swiftly. We aim to enhance our customer services and consistently deliver high quality service experiences for all our customers.

UAF Customer Satisfaction Survey

3,018

respondents



97.51% positive response rate

Complaint Handling Mechanism

We have established systematic procedures and remedies, overseen by CSD, to address customer grievances. When receiving customers' feedback, we will carry out thorough and appropriate investigation procedures, tailor response plans according to the severity of the issue and have them managed by handling officers of corresponding seniority, ensuring that each case is resolved effectively and with the utmost care. Upon receiving a complaint, our designated staff promptly starts a thorough investigation and evaluation on the case, followed by a detailed response to the customer and appropriate corrective actions. During the Reporting Period, we received no complaints related to our Mainland China Division, and 12 complaints concerning our Hong Kong operations. All complaints have been satisfactorily resolved by the CSD and Debt Collection Unit.

Financial Protection and Inclusion

Financial protection and inclusion involve expanding access to formal financial systems and empowering individuals financially to foster economic growth. We see our responsibility in refining policies to better protect the stability of the money lending industry. Through UAF, the Group's Consumer Finance business offers a wide range of products and services to improve financial accessibility for customers.

Extending Financial Reach

We recognise our responsibility to drive financial inclusion by enhancing our user-friendly website, mobile applications and the physical accessibility of our strategically placed branches. As of the end of 2024, UAF has successfully established a comprehensive network of 61 branches across Hong Kong and 14 key cities in Mainland China. This extensive coverage, enhanced by online and mobile access, ensures seamless access to our services anytime, anywhere. UAF's "YES UA" and "SIM Credit Card" mobile applications exemplify this by offering traditional loan and credit card services, respectively.

Support for Financial Inclusion of Small Enterprises and Underserved Communities

We provide financial support to a broad customer base by reducing entry barriers and providing diverse loan options. SHK Credit's pioneering Mortgage Payment Holiday is Hong Kong's first payment plan to include a grace period, helping customers manage unforeseen circumstances during their loan period.

UAF became a participant in the Interbank Debt Relief Plan, a framework agreement jointly formulated by Hong Kong Association of Banks ("HKAB"), The Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies ("DTC Association") and HKSAR Licensed Money Lenders Association ("LMLA"), which offers eligible customers the flexibility to adjust their debt repayment plans, providing them with much-needed relief during times of financial hardship. Furthermore, UAF is dedicated to upholding our service motto of "Customer First" by providing affordable and accessible financial services to underprivileged groups and small enterprise, fostering social equity and business sustainability. To alleviate immediate liquidity pressure on small enterprises, its Small Enterprise Loan offers simple, flexible solutions to address cash flow issues to small enterprises and business owners, with quick approval within 24 hours.

Best SME (Small-Medium Enterprise) Partner Award in 3 consecutive years

In 2024, UAF was proudly awarded the "Best SME Partner Award" for the third consecutive year by the Hong Kong General Chamber of Small and Medium Business, a testament to its consistent support for Hong Kong's SMEs. Going forward, UAF will continue to offer comprehensive loan services, solidifying its position as a premier partner for SMEs.



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

Consumer Financial Protection

To create a secure and fair financial environment for consumers, UAF provides comprehensive training and measures focused on consumer protection, sales ethics and conduct, and consumer data privacy. UAF provides online and offline training sessions that thoroughly guides employees in ethical selling practices when engaging consumers. The trainings include “Compliance & Risk Training”, “Fraud Awareness” and “Legal Training – Money Lenders Ordinance”, significantly strengthening employees’ ethical standards. UAF also provides data privacy training to safeguard sensitive financial information and ensure compliance with data protection regulations. The training courses are “Personal Data Privacy Ordinance (PDPO)” and “Personal Data Privacy Training”. Internal guidelines and operational procedures for handling consumer complaints and debt collections are circulated regularly to ensure that employees are well-informed and equipped to manage these situations appropriately. We consistently review our employee training programmes on various relevant topics and closely monitor our performance to continually enhance our customer services.

Promotion of Financial Literacy

The Group recognises the importance of promoting financial knowledge and enhancing the financial literacy of the customers and the wider community through online platforms. Given the diverse needs and characteristics of different demographic groups, UAF have tailored its financial education initiatives.

UAF’s official corporate website and mobile app offer financial education in Hong Kong, covering aspects of the Credit Data Smart, personal credit data, and debt – management loans. UAF’s official WeChat account serves as a platform for financial education in the Chinese consumer market. Considering local financial habits, our content covers topics highly relevant to the mainland audience. For example, we simulate scenarios of recent scams in the Chinese market, like mobile payment frauds and bank-statement-manipulation frauds for money laundering. We present these scenarios in the form of comics to simplify complex financial concepts, aiming to boost public awareness of financial fraud and guide the general public to handle financial matters legally and cautiously.

Moreover, we enhance consumer education regarding sustainable debt and proper financial management by providing useful public resources on the LMLA website. By participating in public bodies and working groups, we aim to encourage a more robust corporate culture and a higher level of integrity within the financial community.

Responsible Products and Services

Dedicated personnel at SHK Credit and the UAF Credit Committee are responsible for overseeing the management of products and services. The Credit Committee handles loan approvals per current lending guidance, implements policies in line with business objectives, and regularly reviews and updates the credit guideline. Monthly business meetings are conducted to review the performance of products and services and regularly assesses their impact on customers. The Board of Directors of UAF meets monthly to evaluate the performance of personal lending and credit card services and holds the final decision on any newly identified products and services.

To assure fair debt collection practices and protect customer rights, UAF has developed a comprehensive set of manuals and procedures for staff to follow, including the Debt Collection Department Operational Manual, Debt Collection Department Training Manual, and Credit Control Procedure. These resources are regularly distributed among employees to keep them well-informed and stay thoroughly updated.

UAF’s Debt Collection Department contacts customers with overdue loans who have defaulted payment terms via phone calls, SMS, or written communication. We offer a variety of repayment schemes to customers who are facing short term financial hardships, including interest payment deferral and loan restructuring options. If these efforts are unsuccessful and the customer remains unwilling to repay, the account is referred to Credit Control Department, which may involve working with external debt collection agents to resolve the matter.

UAF is dedicated to protecting its customers’ financial well-being and promoting inclusivity. As a founding and executive committee member of the LMLA, UAF contributed to the drafting of the Code of Money Lending Practice (“The Code”). The Code is a comprehensive set of market practices and standards for the lending industry, addressing crucial areas such as customer relations, anti-money laundering, credit evaluation, debt collection and recovery, and data privacy. By following the Code, UAF aims to enhance customer confidence and promote a fair corporate culture. In addition, UAF, representing LMLA, together with HKAB and DTC Association, has established the Consumer Credit Forum (“CCF”). This initiative serves as platform for discussing and formulating strategy to address consumer credit-related issues in Hong Kong.

As an active contributor of the money-lending industry, UAF is also a member of various projects managed by the HKAB, including participation in the special task force for the Multiple Credit Reference Agencies User Group, Credit Card Smart (“CDS”). CDS is a new operating model aiming to provide choices for the provision of consumer credit reference service to credit providers.

A representative from UAF served as the chairman to the Hong Kong S.A.R. Licensed Money Lenders Association Limited and actively contributed to the successful development and launch of CDS.

Responsible Marketing

UAF adheres to fair advertising standards to ensure clarity and prevent consumer deception or disruption of fair trade. To this end, UAF has enacted its Fair Advertising Policy, which mandates compliance with relevant laws, ethical standards, and ESG criteria, and has established the comprehensive Fair Advertising Procedures. UAF actively engages stakeholders in the development of its advertising strategies and regularly solicit feedback from employees and stakeholders on potential improvements. All advertising materials are reviewed by department heads for ESG alignment, accuracy, and clarity, avoiding discriminatory or misleading content. UAF’s marketing team is also reminded regularly to reinforce the significance of adhering to fair advertising practices.

We believe responsible marketing is vital to the trust between the Group, investors and customers. All our marketing materials fully comply with the Trade Description Ordinance (*Cap. 362 of the Laws of Hong Kong*) and Guidelines on Additional Licensing Conditions of Money Lenders Licence. Our commitment is to provide clear, accurate, and comprehensive information while keeping our stakeholders informed and up to date. We include risk warnings in all promotional materials and ensure that customers have access to a dedicated hotline to report illegal publicity. The Group prohibits false or misleading information that may deceive or mislead customers in the purchasing of financial products. Advisory documents are available on the website for customers’ perusal.

Anti-Money Lending Scam Guidance Documents

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

Data Privacy and Confidentiality

Data Protection

The Group is fully committed to complying with data privacy and confidentiality relevant laws and regulations, including the Personal Data (Privacy) Ordinance (*Cap. 486 of the Laws of Hong Kong*) and the Code of Practice on Consumer Credit Data. We have implemented policies and guidelines to safeguard our customers’ data privacy and personal information. Our Privacy Policy clearly outlines the rationale for data collection and retention, detailing how we responsibly collect, manage and store data. We uphold the trusted relationships we have built with our clients by prioritising the confidentiality and privacy of their personal data. To maintain their trust, we rely on advanced encryption technology and obtain their formal consent for data collection and usage. Clients who wish to access or correct their personal data must submit a formal request.

Our Group Information Security Policy outlines the detailed structure of the Group’s information system, which includes but not limited to cybersecurity, DRP, and data loss prevention. A comprehensive framework is in place to ensure the effective implementation of the policy in alignment with relevant laws, regulations, and standards. Our cybersecurity approach encompasses prevention, detection, and response. Prevention includes access controls, network security, encryption, patch management, security awareness training, and physical security. Detection relies on network monitoring, intrusion detection systems, security information and event management, dark web monitoring, and vulnerability scanning. Once an incident is detected, prompt response measures would be taken in accordance with our DRP to assess, contain, investigate and take necessary follow-up measures, so as to protect the interests of stakeholders and minimise impact and losses.

Besides the overarching guidelines, SHK & Co. and SHK Credit provide multiple information security and cybersecurity trainings to all employees such as “IT Cybersecurity Awareness”, “IT Tech Talk”, Webinar “Regulating AI – Examining Global Developments” etc.

UAF is equally committed to ensuring the security and privacy of our customers' personal data. The Information Classification Policy implements access controls based on risk level of the information and user permissions. In addition, the Personal Data Privacy Management Policy establishes the responsibilities of the Data Protection Officer ("DPO") who oversees the personal data management, data breach management, data processor management, and risk assessments. DPO is also responsible for regular assessment and review of the policy to maintain its relevancy and alignment to current laws and regulations.

In November 2024, UAF introduced the New Email Security Control on Data Loss Prevention. This initiative aims to safeguard against unauthorised access and potential data breaches that could compromise the company and its clients. A real-time monitoring mechanism for all outgoing emails has been implemented, featuring a screening process to detect sensitive data, including personal information, financial data, and confidential company information. Once an email containing sensitive data is identified, it will be blocked or flagged for review. The review process involves an escalation mechanism requiring approval from the respective line manager, and then the cybersecurity team prior to its release.

E-learning courses have been provided for all UAF employees to enhance their awareness on data privacy, with topics like information security, Personal Data Privacy Management Policy, Phishing Awareness and Privacy Management programme, Fraud Awareness, cybersecurity, etc. Additionally, UAF also provided a two-day Principles of Secure Coding course on Coursera for Financial Infrastructure Department staff to improve their awareness on software development security. UAF was awarded the Gold Award for privacy protection organised by PCPD at the Privacy-Friendly Awards 2023.

Information Technology ("IT") Resilience

With technological development, cybersecurity and IT risks have become increasingly critical. To address these challenges, the Group has established a robust infrastructure and a secure information system with offsite backup capabilities at managed data centres. We have also reduced our cybersecurity risks via external audits and benchmarking against the industry standard of National Institute of Standards and Technology ("NIST") Cybersecurity Framework. SHK & Co. is planning to obtain the Information Security Management System ("ISO/IEC 27001") certification in the coming year.

Furthermore, UAF has implemented an Information Security Management System alongside an Information Security Policy to safeguard sensitive data. We conduct regular internal audits in accordance with ISO/IEC 27001 and the Information Technology General Control Model to ensure compliance. UAF has retained its ISO/IEC 27001:2013 certification through independent external audits since 2019. In February 2025, UAF completed the transition and passed the external audit to achieve the latest and more stringent ISO/IEC 27001:2022 certification. These certifications cover all systems and operations, including the design, development, operations and maintenance of web applications, mobile applications, and the related IT infrastructure to support the consumer loan services.

The Payment Card Industry Data Security Standard ("PCI DSS") is established by the Payment Card Industry Security Standards Council, comprising five major international card organisations. Recognised as the most authoritative and stringent financial data security standard globally, PCI DSS mandates strict protection of sensitive and private cardholder information. This year, UAF achieved PCI DSS certification across 100% of its operations, demonstrating its comprehensive, standardised, and rigorous transaction procedures to safeguard information security. This certification not only avoid the risk of data breaches and fraudulent activities but also enhances the credibility of online transactions and strengthens customer trust.



Our Community

The Group acknowledges its responsibility as a member of society. Our Sustainability Policy and Responsible Investment Policy outline our strategies in creating a diverse and fair society and investing in our communities in alignment with the UNSDGs. The charitable arm of SHK & Co., Sun Hung Kai & Co. Foundation (the "Foundation"), was established in 2015 as a platform for the Group, business partners, and collaborators to promote and support caring, inclusive and sustainable communities. This year, the Group along with the Foundation are actively involved in sponsoring initiatives aimed at improving the lives of the underprivileged and the elderly, advancing environmental protection, and fostering youth development.

During the Reporting Period, we:



Supported **22** charitable and community projects



Participated in **897** hours of volunteer services



Gathered **242** volunteers

Community Investment

Charitable Donation

To underscore the Group's support for community welfare, SHK & Co. has made significant strides in philanthropy and community engagement through donations and sponsorships. This year, our contributions encompassed a generous donation to The Community Chest for its annual TV show "Community for the Chest", which funds essential social welfare programmes. We also extended our support to St. James Settlement, aiding in their provision of comprehensive services that cater to children, youth, the elderly, and individuals requiring rehabilitation. Additionally, our sponsorship of the Save The Children Hong Kong Gala Dinner underscored our commitment to bolstering child welfare and education. UAF also made donation to the Conservation International Foundation, which supports forest restoration projects as part of the Priceless Planet Coalition, an initiative organised by Mastercard. These philanthropic efforts reflect our dedication to creating a positive impact on society, supporting vulnerable groups, and contributing to the betterment of our community.

Sponsorships and Donations Exceeding HKD5,000,000 (nearly four-fold increase compared to 2023)

Caring for the Elderly and Underprivileged Families

Supporting Elderly and Underprivileged Families through Food Angel

In March 2024, employee volunteers from SHK & Co., SHK Credit and UAF, collaborated with HandsOn Hong Kong and Food Angel to conduct a meaningful volunteer service aimed at raising awareness about food waste and poverty issues in Hong Kong and providing support to the elderly and underprivileged members of the community. Despite its prosperity, some children and elderly people in Hong Kong face challenges with food insecurity, yet there is also significant daily food waste. Volunteers from Sun Hung Kai & Co. efficiently prepared nearly 6,000 nutritious meals using rescued food at Food Angel's Kwun Tong kitchen, which were immediately delivered to elderly individuals living alone and underprivileged families. This initiative not only provided timely assistance to those in need but also aligned with six UNSDGs, demonstrating the company's commitment to social responsibility. Following the service, Food Angel provided an educational briefing to volunteers, further enhancing their understanding of food waste and poverty, and encouraging actions to reduce waste in their personal lives.



Mid-Autumn Festival – Visit the Elderly and Deliver Care Packages

In the spirit of community and compassion, UAF showed care and support for elderly individuals in need, especially during festive periods. In collaboration with the Hong Kong Family Welfare Society, employee volunteers visited the underprivileged elderly residents in To Kwa Wan during the Mid-Autumn Festival and delivered care packages to bring warmth and comfort. To encourage active participation in community services, UAF granted half-day volunteer leaves to employees. This is not only a token of appreciation but also helps employees balance their professional commitments with their altruistic efforts, spreading blessings and care to elderly individuals in need.



Fostering Community Togetherness and Inclusion

In alignment with the Group's commitment to fostering a diverse and inclusive society, UAF actively participated in a community event organised by the Yaumati Kaifong Welfare Advancement Association and the Yau Tsim Mong District Office. The event celebrated the 27th Anniversary of the Hong Kong Special Administrative Region and the Dragon Boat Festival, bringing together over 300 participants to spread joy and promote a strong sense of community spirit and cultural appreciation. UAF's staff volunteers played a significant role by distributing goodie bags to residents, especially the elderly community in the Yau Tsim Mong district, thereby highlighting the company's dedication to social welfare and enhancing the quality of life for residents. This initiative not only showcased a strong sense of community and support but also reinforced the Group's commitment to community engagement and its positive impact on the environment and society, aligning with the broader ESG objectives.



Animal Welfare

Walk with Pets

As a socially responsible organisation, UAF also extends support to animals by partnering with Society for Abandoned Animals Limited (SAA). UAF organised a volunteer service activity aimed at promoting ethical pet ownership and reducing the demand for animal purchases, which often contributes to the overpopulation of abandoned animals. Through hands-on interactions, including feeding the animals, cleaning their shelters and showing affection, employee volunteers gained a deeper understanding of SAA's daily operations. These interactions were crucial in helping the abandoned cats and dogs build trust with humans, creating an environment conducive to successful adoptions. We believe this activity not only warmed the hearts of the abandoned animals but also planted seeds of compassion and care for animal welfare among our employees.



Youth Development

Nurturing Future Leaders

We believe that education is one of the best ways to nurture future leaders dedicated to improving the world. We are avid supporters of organisations that ensure fair access to quality education and lifelong opportunities. Since 2017, with the backing of the Foundation, Dalton School Hong Kong has been established as a non-profit and multicultural primary school. Our goal is to cultivate learners and thinkers with a global perspective, thereby promoting high-quality educational opportunities for the youth of Hong Kong. This year, the school has transitioned to a new campus, offering a dual-stream programme designed to meet the diverse needs of our future leaders. With contributions from SHK & Co., including the donation of used furniture and sponsorship of the school's activities, the new campus provides a serene sanctuary for learning that balances academic, social, and emotional growth amidst the city's vibrancy.

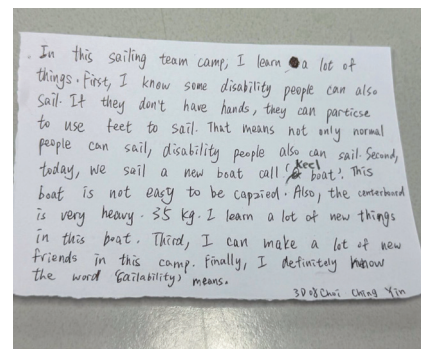
In addition to our commitment to nurturing primary school students, we have extended our support to higher education students. Established since 2018, the Sun Hung Kai & Co. Foundation Fellowship Fund has been actively supporting Harvard Business School's need-blind admission initiative. This impactful initiative aims to create opportunities for outstanding MBA students to achieve their aspirations and advance their careers by broadening access to high-quality education, enabling them to excel and contribute positively to their fields.



Supporting Underserved Youth: The Sun Hung Kai (Sallywag) Foundation Programme

Embodying our core values of endurance, adaptability, and excellence, the Foundation established the Sun Hung Kai Sallywag Foundation to create a sailing legacy in Hong Kong and support youth development through the sport. Since 2019, our sponsorship of Sailability has empowered over 2,300 young individuals with physical disabilities, special educational needs, or on the autism spectrum to engage in sailing and water-based activities through sailing, training and regattas. Among the many who have benefitted, Tommy Wong has become a full-time junior sports scholarship athlete in sailing, a Tier A sport category at the Hong Kong Sports Institute. He also volunteers as an assistant coach at Sailability Hong Kong. His story is a testament to the transformative power of sport and the enduring impact of our mission.

"Irrespective of the many life challenges they face, seeing really is believing when you see young people find the confidence and capabilities that equip them with valuable life lessons." – **Mr. Tony Edwards, Executive Director & Deputy Chief Executive Officer at SHK & Co.**



SHK & Co. is also the main sponsor of the Sun Hung Kai Sallywag race team, Hong Kong's professional offshore sailing team. Marking a significant achievement, the Sun Hung Kai Sallywag race team won the line honours at the Maxi World Championships and the Rolex Middle Sea Race in 2024.



Membership and Associations

Apart from our philanthropic activities, we continue to contribute to various professional associations, chambers and non-profit organisations to raise industry standards and exchange best practices. We hold positions and regularly participated in projects and committees in the following associations:

Position	Institution
SHK & Co.	
Committee Member	The Chamber of Hong Kong Listed Companies
UAF	
Vice Chairman, Yuen Long West District	Scout Association of Hong Kong
Vice Chairman, New Territories Regional Training Committee	Scout Association of Hong Kong
Executive Committee Member and Secretary	The HKSAR Licensed Money Lenders Association

Our Environment

We recognise that the importance to protecting the environment and foster a shift in behaviour towards sustainability. During the Reporting Period, no instances of environmental non-compliance were recorded that would significantly impact the Group.

Our commitment is focused on four key areas: Waste Reduction, Energy Conservation, Water Efficiency, and Carbon Reduction. These priorities reflect our dedication to continuously improving our environmental performance and driving positive momentum toward a more sustainable future. Through transparent reporting and active stakeholder engagement, we aim to showcase our progress, initiatives, and plans in each of these areas, reinforcing our commitment to environmental responsibility. Our Policies dedicated to Upholding Environmental Sustainability:

Our Policies Dedicated to Upholding Environmental Sustainability:

- Sustainability Policy
- Green Office Guidelines
- Group Procurement Policy
 - Supplier Code of Conduct
 - Supplier Due Diligence
 - Sustainable Procurement
- Climate Change Policy

Engaging the Community

We strive to use our influence to promote a culture that supports eco-friendly practices both within our company and across society as a whole.

Advancing Eco-Awareness and Sustainable Agriculture through ECO Rangers

The Group supported the Conservancy Association by taking part in “ECO Rangers 2024 campaign”, which aims to promote environmental awareness and conservation efforts and support the eco-rice blessing initiative. Staff volunteers from SHK & Co., UAF and SHK Credit stepped forward to attend an educational workshop, delving deep into the significance of eco-rice and the conservation status of the yellow-breasted bunting, a migratory bird that has a close connection to the paddy ecosystems where the eco-rice is grown. Volunteers eagerly packaged eco-rice for elderly residents in the grassroots community, supporting the paddy fields in Ho Sheung Heung, Long Valley, Hong Kong’s largest agricultural freshwater wetland. This activity not only provided a practical benefit to the community and local farm but also served as an opportunity to raise awareness of sustainable agriculture and environmental conservation.



Connecting with Nature enhance the facilities of Urban Oasis, a community garden

Volunteers from SHK & Co., UAF and SHK Credit engaged in Serve-a-thon 2024 organised by HandsOn Hong Kong, and worked on maintaining and enhancing the facilities of Urban Oasis, a community garden managed by the Christian Family Service Centre. This garden is dedicated to fostering urban agriculture, green living, and community engagement. These volunteers performed crucial tasks like weeding, harvesting, and improving facilities, which not only maintained the garden's function but also advanced its mission of promoting environmental responsibility and fostering community involvement. This significant volunteer contribution has had a lasting positive impact on both the garden and the broader community, inspiring continued valuable work in the future.

"Participating in the revival of the Urban Oasis was an incredible experience. The community garden has enriched the neighbourhood by promoting sustainable development, fostering a sense of community, and providing access to fresh, locally grown produce. SHK & Co.'s dedication to environmental responsibility is truly commendable, and I'm grateful to be a part of it."

Ms. Phoebe Kan, Intern at SHK & Co.



Powering a Sustainable Future: LED Lighting in Disadvantaged Communities

Volunteers from SHK & Co., UAF and SHK Credit joined forces with CarbonCare InnoLab and the Hong Kong PHAB Association for a meaningful volunteer service to replacing old light bulbs with energy-saving LED ones in the homes of disadvantaged communities in Hong Kong. In Hong Kong, where buildings are major contributors to both electricity consumption and carbon emissions, the initiative of replacing 63 old compact fluorescent lamps with LED lighting in the homes of disabled neighbours offered a practical solution to transition to a low-carbon society. This initiative not only helped lower electricity bills for vulnerable families, reduced annual electricity consumption by an estimated 693 kWh but also cut carbon emissions by 270.27 kg of CO₂ annually (equivalent to 12 trees planted).



Earth Hour 2024

The Group has continuously supported the “Earth Hour” event organised by WWF-Hong Kong. SHK & Co. and SHK Credit switched off the non-essential electric lights for one hour on 23rd March 2024 to promote energy conservation and sustainable living.

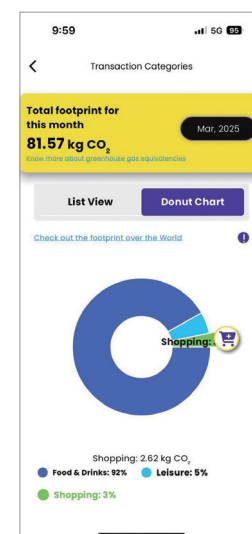
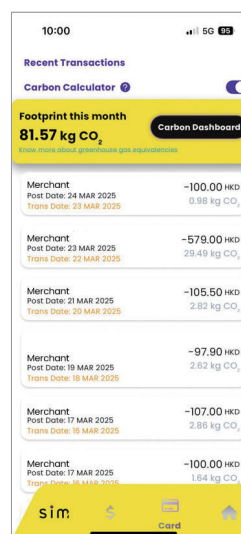
We also pledged to inspire our employees, clients and partners to replace some of our previous routines with more eco-friendly practices for our common future.



Promoting Green Awareness through ESG Carbon Calculator

Launched in August 2024, the ESG Carbon Calculator is a one-stop carbon footprint tracking feature embedded in our “SIM Credit Card” mobile application, marking itself as a pioneer in Hong Kong in integrating environmental consciousness with financial services. It aims to boost public awareness by precisely visualising the environmental impact and carbon footprint derived from users’ purchase habits. By presenting this data in an intuitive and accessible manner, it encourages users to make small yet meaningful adjustments to their consumption habits in a light-hearted way, thereby reducing their overall environmental impact.

Based on the accumulation of carbon footprint, SIM Credit Card is progressively restoring 15,000 trees through Priceless Planet Coalition programme across the globe as a goal in the initial stage, so to achieve the purpose of moderating greenhouse gas emissions for positive impact globally. We believe that through this innovative combination of financial services and environmental consciousness, we can empower our customers to play an active role in the fight against climate change, making a positive and measurable impact on a global scale. In addition, UAF allocates deposits to a sustainable account at a designated bank which supports green projects that are in line with the UNSDGs.



SHK & Co. committed to sustainability and always eager to pioneer more initiatives, has been bestowed with a Certificate of Recognition for its environmental and sustainable initiatives. Since 2021, we have actively participated in the Green Office Awards Labelling Scheme (GOALS) organised by the World Green Organization (WGO), receiving the “Green Office” and “Eco-Healthy Workplace” labels. Additionally, we have been awarded the Gold Award in The Asset ESG Corporate Awards for consecutive years by Asia’s renowned financial magazine, The Asset. These recognitions affirm our conscientious efforts in implementing green practices, our commitment to sustainable development, and our significant contribution to raising awareness of global environmental challenges.



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

Sustainable Sourcing and Consumption

The Group has consistently worked towards sustainable resource consumption while minimising waste production. We prioritise suppliers who meet stringent local and global environmental certifications for sourcing office necessities and furniture. Additionally, we adhere to sourcing paper products certified by Forest Stewardship Council (“FSC”) and Programme for the Endorsement of Forest Certification (“PEFC”) whenever possible.



As of 2024, 100% of our office paper is certified FSC or PEFC.

While going completely paperless might not be feasible at present, our Group Procurement Policy offers eco-friendly options, including post-consumer recycled paper, FSC- or PEFC-certified paper and bamboo products for office supplies to reduce their upstream and downstream impacts. At SHK & Co., all printers have been optimised for duplex, double-sided printing by default, and the overall printer quantity has been reduced to minimise the urge to print unnecessarily. We advocate electronic access and soft copies rather than bulky paper dispatches to help conserve natural resources and further minimise waste.

We are taking steps to reinforce our sustainability efforts by placing reminders and signage around the office to encourage the conservation of resources such as energy, water, and paper. In alignment with the target set up in 2023, we are fully transitioning to bamboo pulp paper towels, replacing disposable tableware with durable options, and using eco-friendly cleaning detergents. These changes not only reduce our environmental footprint but also set a positive example for sustainable workplace.

Moreover, we conduct regular campaigns to educate employees on the importance of sustainability practices. These campaigns focus on key areas like reducing paper use and recycling, ensuring that every team member understands their role in contributing to a more sustainable future.



As part of our commitment to sustainability, the Paper Reduction Campaign 2023/24 at the offices of SHK & Co. and SHK Credit was highly successful. Teams were challenged to decrease paper usage and achieve the highest percentage reduction relative to the previous year. Thanks to the collaborative efforts of employees, we achieved a 23% reduction in office paper usage compared to last year. The Annual Best Team Award was presented to the team with the greatest percentage decrease in paper printing.

In response to the World Green Organisation (WGO)'s call, we have designated this Earth Day as Office Paper Saving Day. We encourage all employees to participate and sign up for the WGO Paper-saving Campaign 2024, reinforcing our commitment to a paperless office and sustainability. Through these small initiatives, we can collectively make a substantial positive impact on the environment.



Waste Management

In line with Hong Kong's "Waste Blueprint for Hong Kong 2035" which aims to promote waste reduction, the Group embraces a two-pronged approach in waste reduction: To control at source, and to adopt digitisation technologies.

Our approach prioritises reducing resource consumption, followed by reusing and recycling before any disposal. Office waste typically includes paper, cardboard, furniture, equipment and domestic waste. To this end, we installed designated recycling bins clearly labelled for the respective recyclables, as well as several designated collection areas to receive waste containing confidential information. During the Reporting Period, with the aim of discouraging employees from casually generating waste and enhancing the accessibility of recycling points, SHK & Co. reduced the number of individual desk bins has been reduced by 28% compared to previous year and simultaneously increased the number of recycling points.

In 2024, we launched the Mooncake Boxes Recycling Programme and the Lai See Packets Recycling Programme. These campaigns not only target the reduction of waste generated during festive seasons but also raise employees' awareness of the importance of recycling and environmental protection. Moreover, we actively engaged our staff in promoting the "Go Green" concept through an interactive quiz to encourage the principles of "Recycle, Reduce, and Reuse" in a casual and enjoyable manner.

Digitised Operations

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

Major Digitised Initiatives:

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

Since 2020, UAF has been digitising its services with the launch of the "YES UA" mobile application, followed by the "SIM Credit Card" mobile application in 2023. These apps enhanced the loan origination process for our customers. This innovative app enables users to complete loan applications seamlessly, facilitating a paper-free experience that enhances convenience and efficiency. By streamlining the identity verification process within the app, we not only improve customer satisfaction but also significantly reduce the carbon footprint associated with traditional paper usage.

Energy Conservation



The primary source of our operational carbon emissions is energy usage, particularly from fuel consumed by our company fleet and electricity used to power UAF's offices and branches in both Hong Kong and Mainland China. Therefore, we endeavour to reduce energy consumption by implementing energy-efficient infrastructure and replacing old equipment, while promoting energy conservation practices within our working environment.

The Group has set a goal to reduce absolute electricity usage by 25% by 2025, using FY19 as our baseline. To achieve this, SHK & Co. have adopted energy star-rated appliances such as fridges, air purifiers and copiers and actively promoted the use of energy-saving features on computer screens in our head office, enhancing overall energy efficiency.

In terms of lighting, we have taken significant steps towards energy-efficiency, including centralised control panels for lighting zones and LED lighting paired with motion and advanced lighting sensors. The advanced lighting sensors, Lutron Motion Sensors and Day Light Sensors, automate lighting based on occupancy and natural light levels. To further optimise energy usage within office areas, we have implemented zoning and dimming systems in key areas such as the reception lobby and meeting rooms to reduce energy consumption without compromising comfort.

Beyond these strategies, the head office of SHK & Co. is situated in a Final Platinum certified building under Hong Kong's BEAM Plus Existing Buildings Certification (Commercial Building), showcasing our commitment to exceptional energy performance.

Energy Saving Measures at UAF:



Charter on External Lighting 戶外燈光約章

Lighting:

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

Maintenance:

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

Multifunctional Devices:

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

External Lighting:

- Switch off lighting for decorative, promotional, and advertising billboards and signages after midnight.

Smart Lighting Solutions:

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

Water Efficiency



~32%

*Compared to 2023 levels

Access to clean and fresh water is vital for our health and well-being. During the Reporting Period, we did not encounter challenges in sourcing water, as we rely on the municipal water supply for our Hong Kong office.

To encourage water conservation, we have also installed display signs in pantries and washrooms, reminding our employees about the importance of water conservation and providing them with practical water-saving tips.

Carbon Reduction



Recognising the close link between greenhouse gases (GHG) and climate change, the Group has been recording and monitoring its carbon footprint. Within our operations, our multi-pronged decarbonisation initiatives our efforts in transitioning to low-carbon operations.

Other Major Carbon Reduction Initiatives:	
Initiatives	SDGs Alignment
1. Leveraging Online Collaboration Platforms to Minimise Business Travels	SDG 13
2. Regular Inspections and Maintenance of Vehicle Fleets	SDG 13
3. Partnerships with Green Organisations to Promote Low-Carbon Lifestyles	SDG 13 SDG 17

Scope 3 Emissions

Since 2022, the Group has been actively tracking its Scope 3 emissions, with a focus on air travel as well as the electricity consumed from upstream freshwater processing and downstream sewage treatment. Building on this initial tracking, this year we explored the feasibility of accounting for relevant Scope 3 categories to the Group. In accordance with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standards, we conducted collection and measurement trial for the identified categories of emission data. Additionally, we started gathering investment data and calculating financed emissions with reference to the Partnership for Carbon Accounting Financials ("PCAF"). However, given the methodology's evolving nature, uncertainties remain in measuring emissions across different asset classes and integrating these metrics into risk. Moving forward, we will continue to refine and explore the calculation methods for Scope 3 emissions as they mature and improve relevant disclosure in future reports.

Acknowledging the importance of data accuracy and reliability, the Group commissioned an independent and accredited professional third-party to perform an independent verification of the information presented in this Report. This external validation imparts an added dimension of credibility to the disclosed data, thereby ensuring its accuracy. For more detailed information on the validation methodology, please refer to the "Assurance Statement" section of this Report.

Climate-related Management

In light of the escalating frequency and intensity of climate-related events, it has become increasingly clear that climate change poses significant threats to infrastructure, ecosystems, and communities. These events not only disrupt daily life but also have profound economic repercussions. In response, the Group has based this Report on the TCFD's recommendations and structured it around four pillars: governance, strategy, risk management, and metrics and targets.

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

Governance

The Group introduced a Climate Change Policy in 2022, underscoring its dedication to reducing and managing climate-related risks. In 2024, we reviewed and updated the policy to better align with market trends and expectations. This continuous improvement of the policy demonstrates the Group's commitment to environmental stewardship and its proactive approach to addressing climate change challenges in ever-evolving markets.

The Group has established a sound sustainability governance framework to effectively manage climate-related risks and ensure climate change implications are fully considered in all business units' operations. Climate risks are managed within the broader ESG risk management system, following our ESG governance structure and oversight process. The Board holds overall responsibility, while dedicated committees ensure effective strategy execution, risk management, and reporting across the Group.

For more on the Group's Sustainability Governance, please refer to the "Corporate Governance Report" in the 2024 Annual Report and the "Our Sustainability Commitment" and "Our Business and Governance" sections in this Report.

Strategy

Our Board is aware of the climate-related physical and transition risks and the potential hazards and opportunities that poses to the Group. This process is crucial to helping us design future strategies for mitigating and building resilience against climate change impacts.

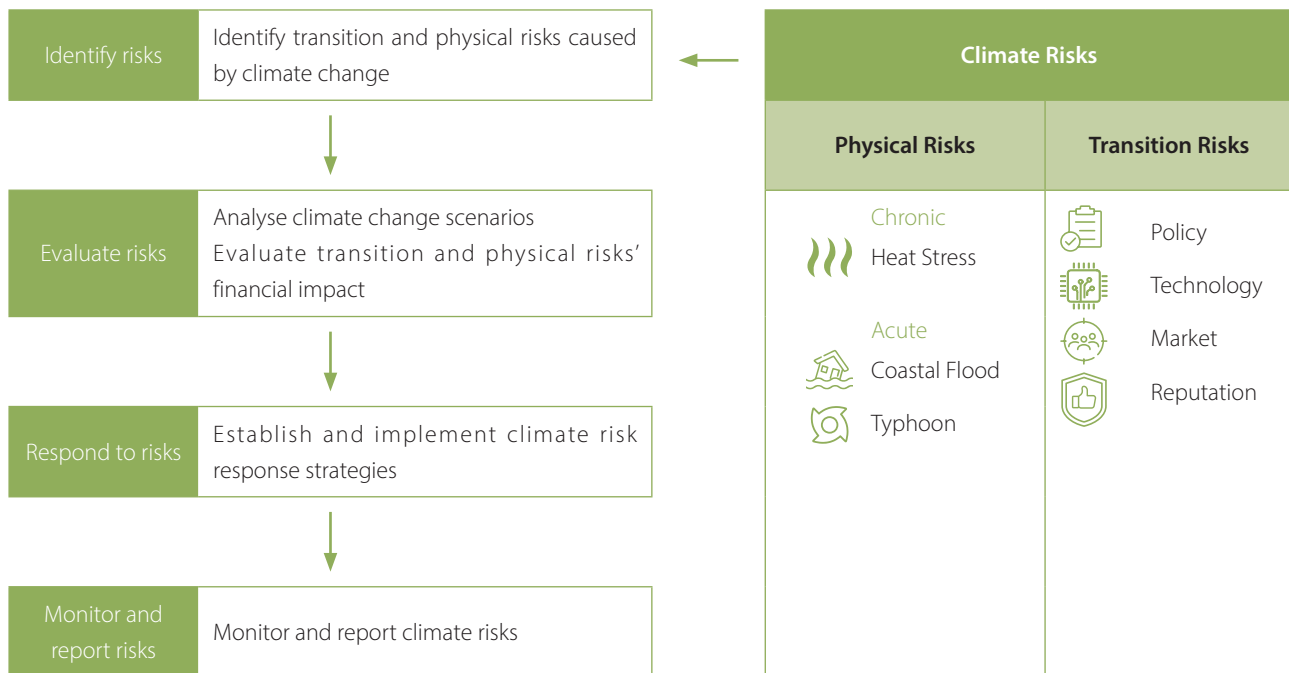
Our Climate Change Policy outlines the actions and plans we have in place for corporate sustainability, climate-resilient investments, stakeholder engagement, and transparent disclosure. All members of the Group should follow these guidelines. Additionally, SHK & Co. has made significant investments in numerous initiatives that utilise cutting-edge technologies in recent years. These initiatives are further detailed in the "Our Investors and Customers" section of this Report.

To strengthen the Board's understanding of ESG issues, we engaged an external consultant to provide trainings on climate scenario analysis and ESG disclosure regulations. These sessions focused mainly on climate change, its far-reaching impacts, and related disclosure requirements, equipping the Group to better identify potential risks and opportunities in the context of a changing risk management landscape.

Climate-related Risks and Opportunities Analysis

We recognise that both the physical impacts of climate change and the transition to a net zero economy pose considerable financial risks for companies, investors and the broader financial system. Since 2022, the Group has engaged an ESG consultant to conduct in-depth climate risk assessments. Our structured approach aims to effectively identify, analyse and manage the material climate risks that could potentially impact our operations, reputation, and financial performance. Climate risk identification and prioritisation are carried out through extensive discussions, meticulous evaluation, and in-depth analysis, with a focus on business relevance.

This year, our climate analysis has been enhanced to incorporate climate scenario analysis for both physical and transition risks. Physical risk scenario analysis, on the one hand, helps us to anticipate the direct impacts of climate change on our physical assets, such as building damages from floods or disruptions to supply chains due to extreme heat. Transition risk scenario analysis, on the other hand, enables us to prepare for the consequences of the transition to a low-carbon economy, including regulatory changes, technological disruptions, and shifts in market demand. After identifying the most significant climate risks to the Group, we assess these risks using scenarios over three time periods: short-term (2030), medium-term (2050), and long-term (2080). This comprehensive approach allows us to proactively manage climate-related risks while leveraging opportunities that arise in an evolving sustainable business landscape.



Physical Risks

To identify physical risks over time and manage the uncertainties associated with future climate conditions, we have conducted a scenario analysis using the Shared Socio-economic Pathways (SSPs) published in the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6).

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

Risk Levels of Climate Hazards Under Different Scenarios

Overall, at the group level, under both SSP2-RCP4.5 and SSP3-RCP7.0 scenarios, two acute risks—coastal floods and typhoons—are projected to present very low or low risk in the short term (2030) and medium term (2050). In the long term (2080), risk of typhoon is expected to escalate to medium risk, while risk of coastal flood continues to maintain a low risk level. For chronic risks, risk of heat stress demonstrates an increasing risk level over time and under more severe climate scenarios. In the long term, under the SSP3-RCP7.0 scenario, heat stress is projected to reach a high risk level. This increasing risk underscores the urgent need for proactive measures to mitigate the impacts of heat stress and enhance resilience across our portfolio.

Very Low Risk
 Low Risk
 Medium Risk
 High Risk
 Very High Risk

Category	Risk Type	Risk Levels					
		SSP2-RCP4.5			SSP3-RCP7.0		
		2030	2050	2080	2030	2050	2080
Acute Risks	Coastal Flood	Very Low Risk	Very Low Risk	Low Risk	Very Low Risk	Very Low Risk	Low Risk
	Typhoon	Medium Risk	Medium Risk	High Risk	Medium Risk	Medium Risk	High Risk
Chronic Risks	Heat Stress	Low Risk	Medium Risk	Medium Risk	Low Risk	Medium Risk	High Risk




Transition Risks and Opportunities


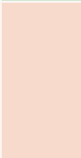

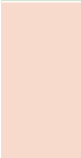
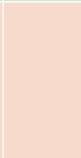


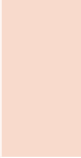

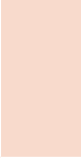
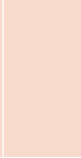


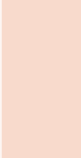

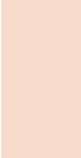


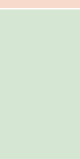
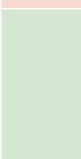
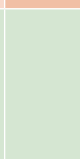

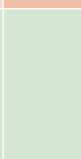
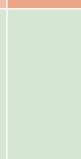
In assessing transition risks and opportunities, we referenced the Network for Greening the Financial System (NGFS) Scenarios. They are a set of pre-defined scenarios developed by a global network of central banks and financial supervisors, to help businesses understand the potential financial and economic impacts of climate change under different pathways. These scenarios provide a structured framework for evaluating how various climate trajectories could affect our operations, costs, asset values, and market positioning. We specifically selected the Current Policies Scenario and the Delayed Transition Scenario, with their key assumptions outlined in the table below.

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

Our transition risk assessment focused primarily on policy, technological, market, and reputational risks. At the same time, we evaluated potential financial opportunities arising from the shift to a low-carbon economy.

To facilitate a clear understanding of the financial implications, the magnitude of both risks and opportunities is presented through a colour-coded system. This system enables the clear visualisation of financial impact hotspots across different time horizons and transition scenarios.

	Low Risk		Moderate Risk		High Risk		Low Opportunity		Moderate Opportunity		High Opportunity		Not Applicable
-----------------------------------------------------------------------------------	----------	-----------------------------------------------------------------------------------	---------------	-----------------------------------------------------------------------------------	-----------	-----------------------------------------------------------------------------------	-----------------	-----------------------------------------------------------------------------------	----------------------	-------------------------------------------------------------------------------------	------------------	-------------------------------------------------------------------------------------	----------------

Category	Specific Description	Potential Risks or Opportunities to the Financial Industry	Current Policies Scenario			Delayed Transition Scenario		
			2030	2050	2080	2030	2050	2080
Policy	Tightening local (e.g. governments, regulators and stock exchanges) and global laws and regulations – e.g. carbon pricing or emission reduction policies	– Increased expenses (e.g. consultancy fees, assurance and legal costs, insurance premiums and carbon taxes)						
		– The Group is at risk of being investigated or fined if deemed non-compliant to relevant laws and regulations						
		– Decreased in return on investments due to investees' depreciation as a result of climate non-compliances and stranding of investments						
	Mandatory GHG emissions disclosure from all company types – easier access to sustainability-related data	– Improved exposure to potential investors by improving ESG ratings/ reputation through enhanced ESG disclosures.						

Category	Specific Description	Potential Risks or Opportunities to the Financial Industry	Current Policies Scenario			Delayed Transition Scenario		
			2030	2050	2080	2030	2050	2080
Technology	Transition to low-carbon technologies	– Increased technological upgrade expenditures, such as adoption of low-carbon equipment and appliance and electric vehicles						
		– Decreased in financed emissions due to investees adoption of low-carbon technology to cut GHG emissions						
	Adopting Advanced Technologies to Enhance Data-Driven Decision Making	– Increased investment resilience due to better informed investment decision with adoption of AI, machine learning, and big data analysis techniques for advanced climate risk evaluation and modelling to simulate climate-related risks						
Market	Changes in stakeholder preferences to greener investments	– Reduced market demand for non-compliant assets may lead to lower liquidity, making it more difficult to sell certain investments without incurring losses.						
		– Increased operational costs on adopting a more holistic data collection platform/ system for climate-related analyses						
		– Incurred additional transaction time and costs due to portfolio restructuring, including divestments and reallocation from stranded investments to greener investment portfolio						
	Entering green finance markets	– Expanded revenue streams from entering new markets due to increased need for green products/services and eco-friendly asset portfolios						

Category	Specific Description	Potential Risks or Opportunities to the Financial Industry	Current Policies Scenario			Delayed Transition Scenario		
			2030	2050	2080	2030	2050	2080
Reputation	Investor concerns in ESG performance	– Deteriorated reputation due to failure to meet investor's expectations in disclosing ESG and climate-related information						
		– With sound ESG leadership and transparent sustainability practices, this will enhance reputation, ESG ratings and investors' confidence						

Integrating climate scenario analysis into our risk management infrastructure is a strategic imperative. By doing so, we aim to enhance the Group's resilience to climate-related uncertainties, fine-tune our investment strategies to align with emerging trends, and contribute to global sustainability initiatives. This forward-looking approach not only safeguards our financial stability by minimising risks but also positions us to capture value-creating opportunities. These opportunities can drive long-term growth, ultimately delivering enhanced returns and value for all our stakeholders. The findings from this risk assessment will support the development of adaptive strategies, ensuring business continuity and the long-term climate resilience of our operations, and by leveraging these scenarios, we aim to develop robust strategies to mitigate risks, seize opportunities, and ensure long-term resilience in a transitioning economy.

Risk Management

In conducting a comprehensive assessment, we have successfully identified a spectrum of significant physical and transition risks that are highly relevant to our business activities. The potential financial impacts of these risks have been meticulously evaluated, and we have developed a set of robust mitigation strategies to address them effectively. The responsibility for the identification, assessment, and management of ESG-related risks rests with our ESG Committee. In response to the aforementioned climate risks, we established and adopted the following strategies.

Strategy to Manage Climate-related Risks

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

Metrics and Targets

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

To make informed investment decisions, we will increasingly integrate the analysis and assessment of climate-related risks into our processes. We will use our Climate Change Policy, Responsible Investment Policy, and Group Enterprise Risk Management Policy to guide us in analysing these risks.

Additional information about our environmental impact and emissions statistics is available in the "Our Environment" and "Performance Data Table" sections of this Report.

Relevant Laws and Regulations

The Group is committed to complying with laws and regulations that govern our businesses.

As a Hong Kong incorporated company listed on the Stock Exchange of Hong Kong, we abide by the relevant laws and regulations in Hong Kong including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Securities and Futures Ordinance. In particular, our funds management business, Sun Hung Kai Capital Partners Limited, which holds licences from the Hong Kong Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities in Hong Kong has put in place policies and procedures designed to comply with the Securities and Future Ordinance and the applicable SFC rules and regulations.

Our consumer finance and mortgage loan businesses in Hong Kong are governed by the Money Lenders Ordinance. The lending business in the PRC is operated in accordance with the requirements of the national government, based on policy guidelines such as “Guiding Opinions of the China Banking Regulatory Commission (‘CBRC’) and the People’s Bank of China (‘PBOC’) on the Pilot Operation of Small Loan Companies” (CBRC Issuance [2008] No. 23), as well as “Interim Measures for Supervision and Administration of Small Loan Companies” (NFRA regulation [2024] No. 26). It also follows the Special Rectification Documents of their special working group on cash loans, online small loans and P2P loans.

In this heightened regulatory environment, the Group upholds high ethical standards and have implemented policies to prevent financial crime, corruption and unethical practices. Relevant laws in this area are the Prevention of Bribery Ordinance, the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing (Amendment) Ordinance 2022. Please also refer to the sections titled “Anti-Money Laundering” and “Anti-Bribery and Anti-Corruption” under “Compliance with Laws and Regulations” in this Report.

We are committed to our people and environment. Our business in Hong Kong strives to ensure that the relevant laws and regulations relating to employment, workplace safety, emission of greenhouse gas and generation of hazardous and non-hazardous waste have been complied with, which includes Employment Ordinance, Employees’ Compensation Ordinance, Occupational Retirement Schemes Ordinance, Family Status Discrimination Ordinance, Race Discrimination Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Mandatory Provident Fund Schemes Ordinance, Occupational Safety and Health Ordinance. Our businesses in the PRC seeks to comply with the Labour Contract Law of the PRC and the relevant labour laws and regulations.

Performance Data Table³

Key Performance Indicators	Unit	2024			
Environmental		SHK & Co.	UAF	SHK Credit	Total
Air⁴ and GHG Emissions					
Nitrogen Oxide Emissions	kg	6.34	10.77	0.00	17.11
Sulphur Oxide Emissions	kg	0.23	0.19	0.00	0.43
Particulate Matter Emissions	kg	0.41	0.79	0.00	1.20
GHG Emissions — Scope 1 ⁵	tCO ₂ -e	43.20	381.38	0	424.58
GHG Emissions — Scope 2 ⁶	tCO ₂ -e	57.92	1,301.46	27.13	1,386.51
GHG Emissions — Scope 3 ⁷	tCO ₂ -e	272.10	15.89	0.004	287.98
Total GHG Emissions (Scope 1 – 3)	tCO ₂ -e	373.22	1,698.72	27.14	2,099.08
Total GHG Emission Intensity by Revenue	tCO ₂ -e/ HK\$ Million	0.96	0.54	0.12	0.56
Energy Use					
Petroleum Usage	Litre	15,953.86	13,213.52	N/A	29,167.38
Electricity Usage	kWh	87,759.20	2,562,638.24	41109	2,691,506.44
Total Energy Usage	MJ	861,555.12	9,677,400.05	147,992.40	10,686,947.57
Energy Usage Intensity by Revenue	MJ/HK\$' Million	2,220.50	3,077.25	645.69	2,840.75
Energy Usage Intensity by Workforce	MJ/person	12,134.58	10,934.92	6,726.93	10,927.35
Water Use					
Water Usage ⁸	m ³	0.04	2,000.21	6.56	2,006.81
Water Usage Intensity by Revenue	m ³ /HK\$' Million	0.0001	0.64	0.03	0.53
Water Usage Intensity by Workforce	m ³ /person	0.0006	2.26	0.30	2.05
Paper Consumption					
Paper Consumed ⁹	kg	552.81	29,436.44	293.38	30,282.63
Paper Consumed ⁹	pages	110,562.88	5,887,288.00	58,675.20	6,056,526.08
Paper Recycled	kg	980.00	14,095.81	140.00	15,215.81
Paper Intensity per Employee	pages/ employee	1,557.22	6,652.30	2,667.05	6,192.77
Paper Intensity per Customer	pages/ customer	N/A ¹⁰	25.40	105.72	26.07
Hazardous Waste¹¹					
Toner cartridge	pieces	0	366	0	366
Fluorescent tubes, light bulbs	pieces	0	32	13	45
Battery	kg	0	0	0	0
Computer	pieces	0	97	0	97
Monitor/screen	pieces	0	77	0	77
Printers, scanners, fax machines, shredders	pieces	0	39	0	39

³ Any discrepancies between the total and the sum of the listed amounts are due to rounding.

⁴ Calculation of air emissions is based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs published by the Stock Exchange".

⁵ Includes fugitive emissions from consumption/disposal of fire extinguishers and refrigerant leakages, and direct combustion of vehicular fuels. GHG EFs are adopted from "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose)" in Hong Kong issued by the EPD and EMSD in 2010, and IPCC Sixth Assessment Report ("AR6") Global Warming Potential Values.

⁶ GHG EFs for electricity consumption in Hong Kong are adopted from the Hongkong Electric's Sustainability Report 2023, CLP's Sustainability Report 2023. For China, EF in the "2022 Electricity Carbon Dioxide Emission Factors" issued by the Ministry of Ecology and Environment and the National Bureau of Statistics in 2024 is used.

⁷ Includes indirect emissions from air travel by employees and electricity used for freshwater processing and sewage treatment. GHG emissions from air travel are calculated by International Civil Aviation Organization Carbon Emissions Calculator. GHG EFs for freshwater processing and sewage treatment are obtained from WSD's Annual Report 2022/23 and DSD's Sustainability Report 2022/23 respectively.

⁸ Includes water usage as recorded from the bottled water, barreled water consumption and water bills (except SHK & Co. and SHK Credit as their water supply is managed by the building/property management).

⁹ Limited to usage from office and branch's daily operations.

¹⁰ Due to the non-retail nature of SHK & Co.'s operations, no individual customers are served.

¹¹ Excludes waste handled/recycled by building/property management or suppliers.

Key Performance Indicators	Unit	2024			
Social		SHK & Co.	UAF	SHK Credit	Total
Employees¹²					
Total Number of Employees	person	71	885	22	978
Employees by Gender					
Male	person	36	423	12	471
Female	person	35	462	10	507
Employees by Age					
≤30 Years Old	person	2	80	0	82
31-40 Years Old	person	27	349	8	384
41-50 Years Old	person	21	326	8	355
>50 Years Old	person	21	130	6	157
Employees by Employment Category					
Senior Management	person	4	5	0	9
Senior Executives	person	16	12	1	29
Middle Management	person	15	223	6	244
General Staff	person	36	645	15	696
Employees by Geographical Location					
Hong Kong	person	68	645	22	735
Mainland China	person	0	240	0	240
Overseas	person	3	0	0	3
Permanent Employees by Gender					
Male	person	36	412	12	460
Female	person	35	445	10	490
Temporary Employees by Gender					
Male	person	0	11	0	11
Female	person	0	17	0	17
Non-guaranteed Hours Employees by Gender					
Male	person	0	0	0	0
Female	person	0	0	0	0
Full-time Employees by Gender¹³					
Male	person	36	423	12	471
Female	person	35	462	10	507
Workers who are not Employees¹⁴					
Contractor	person	10	20	0	30
Self-employed	person	0	0	0	0
Intern	person	0	0	0	0

¹² Employee data are reported in headcount at the end of the Reporting Period.

¹³ We did not hire any part-time employees during the Reporting Period.

¹⁴ Contractual relationships for workers who are not employees are direct contracts and third-party contract for workers who perform clerical work, IT support and pantry assistance.

Key Performance Indicators	Unit	2024			
Social		SHK & Co.	UAF	SHK Credit	Total
Total Number of New Employee Hires					
Total Number of New Employee Hires	person	14	109	1	124
Rate of New Employee Hires by Gender					
Male	%	11.11%	10.87%	0.00%	10.62%
Female	%	28.57%	13.64%	10.00%	14.60%
Rate of New Employee Hires by Age					
≤30 Years Old	%	150.00% ¹⁵	36.25%	N/A	39.02%
31-40 Years Old	%	29.63%	16.05%	0.00%	16.67%
41-50 Years Old	%	9.52%	6.44%	12.50%	6.76%
>50 Years Old	%	4.76%	2.31%	0.00%	2.55%
Rate of New Employee Hires by Geographical Region					
Hong Kong	%	19.12%	15.19%	4.55%	15.24%
Mainland China	%	N/A	4.58%	N/A	4.58%
Overseas	%	33.33%	N/A	N/A	33.33%
Total Number of Employee turnover					
Total Number of Employee Turnover	person	18	204	10	232
Turnover Rate¹⁶					
Total Turnover Rate	%	25.35%	23.05%	45.45%	23.72%
Turnover Rate by Gender					
Male	%	25.00%	20.57%	41.67%	21.44%
Female	%	25.71%	25.32%	50.00%	25.84%
Turnover Rate by Age					
≤30 Years Old	%	150.00% ¹⁷	43.75%	N/A	46.34%
31-40 Years Old	%	18.52%	32.38%	37.50%	31.51%
41-50 Years Old	%	23.81%	10.12%	50.00%	11.83%
>50 Years Old	%	23.81%	17.69%	50.00%	19.75%
Turnover Rate by Geographical Region					
Hong Kong	%	20.59%	19.07%	45.45%	20.00%
Mainland China	%	N/A	33.75%	N/A	33.75%
Overseas	%	133.33% ¹⁷	N/A	N/A	133.33% ¹⁷

¹⁵ The rate of new employee hires is above 100% as the number of new employee hires at ≤30 years old during the year exceeded the total number of employees at ≤30 years old employed at the end of the Reporting Period.

¹⁶ Number of permanent employees who left during the year divided by the total number of employees employed by the Group at the end of the Reporting Period.

¹⁷ The turnover rate is above 100% as the number of employees at a specific category who left during the year exceeded the total number of employees at that age employed at the end of the Reporting Period.

Key Performance Indicators	Unit	2024			
Social		SHK & Co.	UAF	SHK Credit	Total
Parental Leave					
Total Number of Employees that were Entitled to Parental Leave	Male	36	423	12	471
	Female	35	462	10	507
Total Number of Employees that Took Parental Leave	Male	1	13	0	14
	Female	0	21	0	21
Total Number of Employees that Returned to Work in the Reporting Period after Parental Leave Ended	Male	1	16	0	17
	Female	0	20	0	20
Total Number of Employees that Returned to Work in 2023 after Parental Leave Ended	Male	1	29	1	31
	Female	2	34	0	36
Total Number of Employees that Returned to Work after Parental Leave ended that were still Employed 12 months after their Return to Work	Male	1	16	1	18
	Female	2	20	0	22
Return to Work Rate ¹⁸	Male (%)	100.00%	59.26%	N/A	60.71%
	Female (%)	N/A	55.56%	N/A	55.56%
Retention Rate ¹⁹	Male (%)	100.00%	55.17%	100.00%	58.06%
	Female (%)	100.00%	58.82%	N/A	61.11%
Percentage of Employees Trained					
Total Percentage of Employees Trained	%	100.00%	100.00%	100.00%	100.00%
Percentage of Employees Trained by Gender ²⁰					
Male	%	50.70%	47.80%	54.55%	48.16%
Female	%	49.30%	52.20%	45.45%	51.84%
Percentage of Employees Trained by Employment Category ²⁰					
Senior Management	%	5.63%	0.56%	N/A	0.92%
Senior Executives	%	21.13%	1.36%	4.55%	2.97%
Middle Management	%	21.13%	25.20%	27.27%	24.94%
General Staff	%	47.89%	72.88%	68.18%	71.17%
Average Training Hours					
Total Average Training Hours	hrs/person	19.58	10.34	13.64	11.08
Average Training Hours by Gender					
Male	hrs/person	19.46	9.13	13.58	10.03
Female	hrs/person	19.70	11.45	13.70	12.06

¹⁸ Total number of employees who returned to work after parental leave divided by the total number of employees due to return to work after taking parental leave x 100%.

¹⁹ Total number of employees retained 12 months after returning to work following a period of parental leave divided by the total number of employees returning from parental leave in the prior reporting period x 100%.

²⁰ The methodology used for calculating percentages of employees trained by gender and by employment category aligns with HKEX guidelines. It is calculated by the number of persons trained in the specific category divided by the total number of employees trained.

Key Performance Indicators		Unit		2024	
Social		SHK & Co.	UAF	SHK Credit	Total
Average Training Hours by Employment Category					
Senior Management	hrs/person	18.25	4.32	N/A	10.51
Senior Executives	hrs/person	22.59	2.67	19.00	14.22
Middle Management	hrs/person	20.73	12.41	14.00	12.96
General Staff	hrs/person	17.90	9.81	13.13	10.30
Training by Topic					
Orientation ²¹	hrs	13.00	438.00	1.00	452.00
Compliance	hrs	69.00	2,754.00	22.00	2,845.00
	hrs	63.00	280.00	22.00	365.00
Anti-Corruption	% ²²	100.00%	99.66%	100.00%	99.69%
Percentage of employee receiving regular performance review					
Review Rate	%	100.00%	100.00%	100.00%	100.00%
Percentage of employee receiving regular performance review by Gender					
Male	%	100.00%	100.00%	100.00%	100.00%
Female	%	100.00%	100.00%	100.00%	
Percentage of employee receiving regular performance review by Employment Category					
Senior Management	%	100.00%	100.00%	N/A	100.00%
Senior Executives	%	100.00%	100.00%	100.00%	
Middle Management	%	100.00%	100.00%	100.00%	
General Staff	%	100.00%	100.00%	100.00%	
Work-Related Injuries ²³					
Number of Injuries	number	0	0	0	0
Work-Related Injury Rate ²⁴	per 1,000 employees	0	0	0	0
Number of High-consequence Injuries (excluding fatalities)	number	0	0	0	0
High-consequence injury rate	per 1,000 employees	0	0	0	0
Lost Days Due to Work-Related Injury	number of days	0	0	0	0
Number of Fatalities	number	0	0	0	0
Fatality Rate	per 1,000 employees	0	0	0	0

²¹ Applicable to new joiners during the Reporting Period only.

²² Exclude employees with negligible exposure to corruption.

²³ There were no cases of work-related ill health that the Group is aware of during the Reporting Period.

²⁴ Injury rates are not calculated based on working hours as required by GRI as working hours are standardised in most cases for financial services without shifts.

Key Performance Indicators	Unit	2024			
Social		SHK & Co.	UAF	SHK Credit	Total
Suppliers by Geographical Region					
Hong Kong	number	239	161	37	437
Mainland China	number	4	291	0	295
Overseas	number	48	0	0	48
Annual Total Compensation Ratio					
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)		5:1	16.02:1	3.33:1	N/A
Complaints					
Products and service complaints	number	0	9	0	9
Data privacy complaints	number	0	3	0	3

GRI Content Index

SHK & Co's ESG Report 2024 is prepared in accordance with the latest GRI Standards. The following table provides with either cross-references of the relevant chapters or explanation.

GRI Standard	Disclosure	Relevant Chapter or Explanation	Page no.
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2-1 Organisational details	About This Report Annual Report 2024 – About Us Annual Report 2024 – Our Business	P.53 P.1 P.2-3
	2-2 Entities included in the organisation's sustainability reporting	About this Report Annual Report 2024 – Notes to the Consolidated Financial Statements	P.53 P.154-230
	2-3 Reporting Period, frequency and contact point	About this Report	P.53
	2-4 Restatements of information	There were no restatements of information in this Report.	N/A
	2-5 External assurance	About this Report Annual Report 2024 – Corporate Governance Report (Audit Committee) Annual Report 2024 – Corporate Governance Report (Accountability and Audit) Annual Report 2024 – Independent Auditor's Report Assurance Statement	P.53 P.44-45 P.49 P.145-149 P.123-124
	2-6 Activities, value chain and other business relationships	Our Business and Governance Our Investors and Customers Our Community Annual Report 2024 – Our Business	P.64-69 P.77-83 P.84-89 P.2-3
	2-7 Employees	Our People Performance Data Table We did not hire any part-time employees during the Reporting Period.	P.69-77 P.105-110
	2-8 Workers who are not employees	Our People Performance Data Table	P.69-77 P.105-110
	2-9 Governance structure and composition	Our Business and Governance Performance Data Table Annual Report 2024 – Corporate Governance Report (The Board, Board Process) Company website: Our Leadership	P.64-69 P.105-110 P.37-39

GRI Standard	Disclosure	Relevant Chapter or Explanation	Page no.
	2-10 Nomination and selection of the highest governance body	Annual Report 2024 – Corporate Governance Report (Board Process, Appointment of Re-Election of Directors, Board Diversity)	P.35-37, 41-42
	2-11 Chair of the highest governance body	Annual Report 2024 – Corporate Governance Report (Roles of Chairman and Chief Executive)	P.40
	2-12 Role of the highest governance body in overseeing the management of impacts	About This Report Our Business and Governance Annual Report 2024 – Corporate Governance Report (Roles of Chairman and Chief Executive, Corporate Governance Functions, Risk Management and Internal Control)	P.53 P.64-69 P.40, 42, 48-49
	2-13 Delegation of responsibility for managing impacts	About This Report Our Sustainability Commitment Our Business and Governance Annual Report 2024 – Corporate Governance Report (Risk Management and Internal Control)	P.53 P.57-63 P.64-69 P.48-49
	2-14 Role of the highest governance body in sustainability reporting	Our Sustainability Commitment Our Business and Governance	P.57-63 P.64-69
	2-15 Conflicts of interest	Annual Report 2024 – Corporate Governance Report (Board Process) Our Business and Governance	P.35-37 P.64-69
	2-16 Communication of critical concerns	Our Business and Governance Annual Report 2024 – Corporate Governance Report (Communication with Shareholders) There were no incidences of critical concerns during the Reporting Period.	P.64-69 P.50-51
	2-17 Collective knowledge of the highest governance body	Our People Annual Report 2024 – Corporate Governance Report (Directors' Continuous Professional Development)	P.69-77 P.40
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2024 – Corporate Governance Report (Remuneration Committee)	P.43-44
	2-19 Remuneration policies	Annual Report 2024 – Corporate Governance Report (Remuneration Committee)	P.43-44
	2-20 Process to determine remuneration	Annual Report 2024 – Corporate Governance Report (Remuneration Committee)	P.43-44

GRI Standard	Disclosure	Relevant Chapter or Explanation	Page no.
	2-21 Annual total compensation ratio	Performance Data Table	P.105-110
	2-22 Statement on sustainable development strategy	Our Sustainability Commitment	P.57-63
	2-23 Policy commitments	Our Sustainability Commitment Our Business and Governance Annual Report 2024 – Corporate Governance Report (Risk Management and Internal Control)	P.57-63 P.64-69 P.48-49
	2-24 Embedding policy commitments	Our Business and Governance Annual Report 2024 – Corporate Governance Report (Corporate Governance Functions, Risk Management and Internal Control)	P.64-69 P.42, 48-49
	2-25 Processes to remediate negative impacts	Our Business and Governance Annual Report 2024 – Corporate Governance Report (Risk Management and Internal Control) Annual Report 2024 – Risk Management Report	P.64-69 P.48-49 P.32-36
	2-26 Mechanisms for seeking advice and raising concerns	Our Business and Governance	P.64-69
	2-27 Compliance with laws and regulations	Our Business and Governance Laws and Regulations There were no significant instances of non-compliance with laws and regulations during the Reporting Period, thus there were no fines nor non-monetary sanctions incurred during the Reporting Period.	P.64-69 P.104
	2-28 Membership associations	Membership and Associations	P.89
	2-29 Approach to stakeholder engagement	Our Sustainability Commitment	P.57-63
	2-30 Collective bargaining agreements	No current employees are covered by collective bargaining agreements.	N/A
GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment	P.60-63
	3-2 List of material topics	Materiality Assessment	P.60-63
GRI 201: Economic Performance 2016			
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report	P.53
		Our Sustainability Commitment	P.57-63
		Our Business and Governance	P.64-69
		Annual Report 2024 – Notes to the Consolidated Financial Statements	P.154-230

GRI Standard	Disclosure	Relevant Chapter or Explanation	Page no.
GRI 201: Economic Performance 2016			
	201-1 Direct economic value generated and distributed	Our Business and Governance Performance Data Table Annual Report 2024 – Consolidated Statements and Notes to the Consolidated Financial Statements	P.64-69 P.105-110 P.150-230
	201-2 Financial implications and other risks and opportunities due to climate change	Our Business and Governance Our Investors and Customers Our Environment	P.64-69 P.77-83 P.90-103
	201-3 Defined benefit plan obligations and other retirement plans	Our People Annual Report 2024 – Consolidated Statements and Notes to the Consolidated Financial Statements In accordance with the requirements of the MPF System, employees and employers are both required to make mandatory contributions of 5% of the employee's relevant income into the employee's MPF account, subject to the minimum and maximum relevant income levels. Employees in the People's Republic of China are covered by their local Social Insurance System. The percentage contributions cannot be reported due to confidentiality reasons. Due to confidentiality, we are unable to provide the estimated value of the liabilities of defined benefit plans.	P.69-77 P.150-230
	201-4 Financial assistance received from government	Annual Report 2024 – Consolidated Statements and Notes to the Consolidated Financial Statements	P.150-230
GRI 205: Anti-corruption 2016			
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report Our Sustainability Commitment Our Business and Governance	P.53 P.57-63 P.64-69
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Our Business and Governance	P.64-69

GRI Standard	Disclosure	Relevant Chapter or Explanation	Page no.												
	205-2 Communication and training about anti-corruption policies and procedures	Our Business and Governance Our People During the Reporting Period, anti-corruption policies and procedures have been communicated to all employees, the Board and business partners. The percentage of individuals* received anti-corruption training: <table><tr><td></td><td>Employees of the Group</td><td>The Board</td></tr><tr><td>Hong Kong</td><td>99.59%</td><td>100%</td></tr><tr><td>Mainland China</td><td>100.00%</td><td>N/A</td></tr><tr><td>Overseas</td><td>100.00%</td><td>N/A</td></tr></table> * Exclude employees with negligible exposure to corruption.		Employees of the Group	The Board	Hong Kong	99.59%	100%	Mainland China	100.00%	N/A	Overseas	100.00%	N/A	P.64-69 P.69-77
	Employees of the Group	The Board													
Hong Kong	99.59%	100%													
Mainland China	100.00%	N/A													
Overseas	100.00%	N/A													
	205-3 Confirmed incidents of corruption and actions taken	There were no incidents of corruption during the Reporting Period.	N/A												
GRI 403: Occupational Health and Safety 2018															
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report Our Sustainability Commitment Our People	P.53 P.57-63 P.69-77												
	GRI 403: Occupational Health and Safety 2018	Our People	P.69-77												
	403-1 Occupational health and safety management system														
	403-2 Hazard identification, risk assessment, and incident investigation	Our People	P.69-77												
	403-3 Occupational health services	Our People	P.69-77												
	403-4 Worker participation, consultation, and communication on occupational health and safety	Our People	P.69-77												
	403-5 Worker training on occupational health and safety	Our People Due to our business nature and office setting, our exposure to work-related hazards is low, hence no dedicated training is arranged.	P.69-77												
	403-6 Promotion of worker health	Our People Workers who are not employees are facilitated by their employers for access to the relevant health services, hence no duplication is made by the Group.	P.69-77												

GRI Standard	Disclosure	Relevant Chapter or Explanation	Page no.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People	P.69-77
	403-8 Workers covered by an occupational health and safety management system	Our People All employees and external workers are covered by the OHS management system in circumstances where such system is present.	P.69-77
	403-9 Work-related injuries	Performance Data Table	P.105-110
	403-10 Work-related ill health	Performance Data Table	P.105-110
GRI 404: Training and Education 2016			
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report Our Sustainability Commitment Our People	P.53 P.57-63 P.69-77
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Our People Performance Data Table	P.69-77 P.105-110
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Our People Performance Data Table	P.69-77 P.105-110
GRI 408: Child Labour 2016			
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report Our Sustainability Commitment Our Business and Governance	P.53 P.57-63 P.64-69
GRI 408: Child Labour 2016	GRI 408-1 Operations and suppliers at significant risk for incidents of child labour	Our Business and Governance None of our operations nor suppliers are at significant risk for incidents of child labour.	P.64-69
GRI 409: Forced or Compulsory Labour 2016			
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report Our Sustainability Commitment Our Business and Governance	P.53 P.57-63 P.64-69
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our Business and Governance None of our operations nor suppliers are at significant risk for incidents of forced or compulsory labour.	P.64-69
GRI 418: Customer Privacy 2016			
GRI 3: Material Topics 2021	3-3 Management of material topics	About This Report Our Sustainability Commitment Our Business and Governance Our Investors and Customers	P.53 P.57-63 P.64-69 P.77-83
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Investors and Customers Performance Data Table	P.77-83 P.105-110

HKEX ESG Reporting Guide Content Index

Our ESG Report 2024 is also prepared in accordance with the ESG Reporting Guide under Appendix C2 and to the Rules Governing the Listing of Securities on HKEX. The following table provides cross-references of the relevant chapters or explanation.

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Mandatory Disclosure Requirements		
Governance Structure		
	A statement from the board containing the following elements:	Our Sustainability Commitment
	(i) a disclosure of the board's oversight of ESG issues;	
	(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	
	(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	
Reporting Principles		
	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality, Quantitative, Balance and Consistency.	About This Report
Reporting Boundary		
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment Laws and Regulations There are no laws and regulations that have a significant impact to the group relating to GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
KPI A1.1	The types of emissions and respective emissions data.	Our Environment Performance Data Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Table General waste is not reported as such waste is handled by building/property management and such data could not be provided to the Group for record.
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Our Sustainability Commitment Our Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Our Sustainability Commitment Our Environment
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment Performance Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Our Sustainability Commitment Our Environment

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material is not applicable to the nature of our operations as a financial service company.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environment
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Environment
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Our People Laws and Regulations
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our People Performance Data Table Annual Report 2024 – Corporate Governance Report
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Table

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People Laws and Regulations
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	There were no incidents of work-related fatalities in the past three years including the reporting year.
KPI B2.2	Lost days due to work injury	Our People Performance Data Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our People
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on issuer relating to preventing child and forced labour.	Our Business and Governance Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our Business and Governance
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our Business and Governance

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Business and Governance
KPI B5.1	Number of suppliers by geographical region.	Performance Data Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Our Business and Governance
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Business and Governance
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Environment
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Investors and Customers Laws and Regulations Due to the nature of our operations as a financial service company, there are no laws and regulations that have a significant impact on the Group relating to health and safety. There were no reported incidents of non-compliance concerning privacy matters and advertising during the Reporting Period.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the nature of our operations as a financial service company, we do not sell products that are recalled for safety and health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Our Investors and Customers Performance Data Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Business and Governance
KPI B6.4	Description of quality assurance process and recall procedures.	Our Investors and Customers
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Investors and Customers

Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Explanation
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Our Business and Governance Laws and Regulations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	There were no concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our Business and Governance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Business and Governance
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community



ASSURANCE STATEMENT

SGS HONG KONG'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ESG REPORT 2024 OF SUN HUNG KAI & CO., LIMITED

Nature of the Assurance

SGS Hong Kong Limited (hereinafter referred to as "SGS") was commissioned by the Sun Hung Kai & Co. Limited (hereinafter referred to as "SHK & Co.") to conduct an independent assurance of the contents of the *ESG Report 2024* (hereinafter referred to as the "Report").

Intended Users of this Assurance Statement

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

Responsibilities

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

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

Assurance Standards, Type and Level of Assurance

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

Scope of Assurance and Reporting Criteria

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance data and information included the text and data in accompanying tables contained in the Report. Data and information were included in this assurance process during the period from 1 January 2024 to 31 December 2024. The Report was prepared in accordance with Stock Exchange of Hong Kong Limited, Environmental, Social and Governance Reporting Guide ("HKEx ESG Reporting Guide") and Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2021.

Assurance Methodology

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

Limitations and Mitigation

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitations.

Statement of Independence and Competence

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with IRCA EMS Principal Auditor, ISO 26000, nominated tutor of GRI Standards and experience on the SRA assurance service provisions.

Assurance Opinion

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

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

Signed:

For and on behalf of SGS Hong Kong Limited



Miranda Kwan

Director

Business Assurance

20 March 2025

WWW.SGS.COM