



Sustainable Finance Framework

March 2026



南豐集團
NAN FUNG GROUP



SEWIT
TURNING PURPOSE
INTO IMPACT



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Introduction

Overview of the Nan Fung Group and the Group's Business

Nan Fung Group ("Nan Fung Group", "Nan Fung" and "the Group" thereto refer to Nan Fung International Holdings Limited and its respective wholly-owned subsidiaries) is a privately held multinational conglomerate. Headquartered in Hong Kong, with a deeply rooted presence in this city, the Group has evolved from a leading local cotton yarn manufacturer into a global business operating in various realms, including property development, management and investment, construction, financial investment and investment in life sciences. Maintaining a strong legacy of entrepreneurship, the Group is committed to generating a future filled with opportunities in key areas of operation in Hong Kong, the Chinese Mainland, the United Kingdom and the United States.

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

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

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

As part of its business, the Group also invests in a wide variety of financial assets, including ESG-related direct investments, fund investments, and funds managed by UNPRI signatories, across global markets.



Nan Fung's Sustainability Framework - SEWIT

At Nan Fung, sustainability is at the heart of the Group's vision for thriving, resilient communities. Rooted in Nan Fung founder Dr. Chen Din Hwa's motto "**Care for others as well as you would care for yourself**" and guided by the spirit to "**Do Good and Do Well, with Love**", the Group's sustainability framework, SEWIT, underpins its strategic approach and reinforces the Group's commitment to creating positive impacts across every aspect of its business.

The SEWIT framework - encompassing Social Cohesion, Environment, Wellness, Innovation and Technology pillars - embodies the Group's values and strategic priorities, guiding the Group in creating lasting, positive impact. Together, these pillars form a dynamic, integrated strategy - one that positions Nan Fung as a leader in shaping a more innovative and sustainable future.



SOCIAL COHESION

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

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

ENVIRONMENT

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

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

WELLNESS

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

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

INNOVATION

fuels our drive to turn vision into action.

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

TECHNOLOGY

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

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



Nan Fung's Sustainability Governance

The Board of Directors (the "Board") of Nan Fung Group Holdings Limited ("NFGH") is the Group's highest governance body, responsible for the Group's overall strategy and the development of the business. Established at the Board level, the Sustainability (SEWIT) Committee oversees the Group's sustainability-related matters, including formulating the Group's sustainability strategy and overseeing strategy implementation, across its business operations in Hong Kong, the Chinese Mainland and overseas.

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

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

Nan Fung's Decarbonisation Pathway

Nan Fung's decarbonisation pathway ensures our operations are focused on sustainability and aligned with global efforts to address climate change. We are committed to reducing our carbon footprint through both short- and long-term targets set based on climate science, with the goal of achieving net-zero emissions by 2050. We will continue to monitor market trends and prevailing decarbonisation frameworks.



The Group has set emission reduction targets for our Hong Kong property portfolio as per below.

TARGETS	
Development Projects	
Reduce absolute Scope 1, 2, and 3 (Capital Good and Use of Sold Products) GHG emissions by	Reduce absolute Scope 1, 2, and 3 (Capital Good and Use of Sold Products) GHG emissions by
↓ 46.2%	↓ 99.6%
By 2031 from a 2021 baseline year	By 2050 from a 2021 baseline year
Buildings in Operation	
Reduce absolute Scope 1, 2, and 3 (Fuel- and Energy-Related Activities and Downstream Lease Assets) GHG emissions by	Reduce absolute Scope 1, 2, and 3 (Fuel- and Energy-Related Activities and Downstream Lease Assets) GHG emissions by
↓ 46.2%	↓ 99.6%
By 2031 from a 2021 baseline year	By 2050 from a 2021 baseline year



Nan Fung Group aims to achieve net-zero by 2050 and build a socially coherent and resilient city through empowering its people and communities. The Group will continue to ramp up our efforts in the pursuit of the following initiatives:



Development Projects

- Employing new technologies to digitise building construction and improve resource optimisation, energy efficiency and waste reduction
- Utilising diesel-free energy storage systems in our construction projects to transit away from fossil fuels
- Sourcing low-carbon solutions and building materials



Buildings in Operation

- Leveraging property technology to maintain competitiveness and operational excellence by optimising energy efficiency
- Enhancing energy and carbon monitoring by implementing tenant sub-metering and extending the carbon management system to more properties



Sustainable Finance Framework

Overview of Sustainable Finance Framework

Nan Fung Group published its first Sustainable Finance Framework in 2021, which sets out the key criteria and guidelines for engaging in Sustainable Financing Transactions (“SFTs”) - marking a significant milestone for the Group’s commitment to sustainability. As of March 2025, 45% of the Group’s current bonds and loan facilities are in the form of green or sustainability-linked financing.

Building on this foundation, Nan Fung Group has developed this updated Sustainable Finance Framework (the “Framework”) to reflect the progressive development of Nan Fung’s sustainability strategy and to provide enhanced criteria and guidelines for the Group’s future SFTs. This framework update underscores the Group’s ongoing efforts to finance and invest in its business sustainably, while delivering broader positive environmental and social impacts.

The Framework governs the issuance of SFTs by Nan Fung Group including but not limited to bonds and loans and other forms of debt financing:

- Green SFTs to finance and/or refinance eligible green assets; or
- Social SFTs to finance and/or refinance eligible social assets; or
- Sustainability SFTs to finance and/or refinance a mix of eligible green asset and eligible social assets

SFTs will align with the below principles:

- Bonds issued under the Framework will be aligned with the 2025 Green Bond Principles¹ (“GBP”), 2025 Social Bond Principles² (“SBP”) and 2021 Sustainability Bond Guidelines³ (“SBG”) published by International Capital Markets Association (“ICMA”) or as they may subsequently be amended
- Loans issued under this Framework will be aligned with the 2025 Green Loan Principles⁴ (“GLP”) and 2025 Social Loan Principles⁵ (“SLP”) jointly published by the Loan Market Association (“LMA”), the Asia Pacific Loan Market Association (“APLMA”) and the Loan Syndications and Trading Association (“LSTA”), or as they may subsequently be amended

Where relevant, SFTs may also reference to:

- Hong Kong Taxonomy for Sustainable Finance Phase 2A⁶

(“Hong Kong Taxonomy”), or as it may subsequently be amended

- China’s Catalogue of Green Finance-Supported Projects⁷ (2025 Edition) (“China Catalogue”), or as it may subsequently be amended

Other forms of financing may conform to other green, social, or sustainable finance principles prevailing at the time where such transactions are being undertaken.

SFTs may be issued in various currencies, jurisdiction and markets in accordance with the Group’s financing and business needs.

Each SFT will adopt the following components of the GBP, SBP, SBG and GLP including:

1. Use of Proceeds
2. Process of Project Evaluation and Selection
3. Management of Proceeds
4. Reporting, as set out in the Framework

The Framework also covers External Review Section.






1 Use of Proceeds

Net proceeds raised from SFTs under the Framework will be used exclusively to finance or re-finance the below Eligible Green or Social Projects (“Eligible Projects”) listed in Section 1A and 1B. Eligible Projects may include projects of the Group made during 3 years prior to issuance or signing date of the respective SFTs as well as during life of the SFTs. The Group commits that proceeds raised from SFTs will not go towards financing or refinancing activities relating to the below:

- Fossil fuels
- Nuclear-related assets
- Alcohol
- Armament
- Gambling

1A Eligible Green Project Categories

Eligible Project Categories	Description of Eligible Green Projects	Reference to the Hong Kong Taxonomy and China Catalogue	Alignment with Climate Objectives and SDGs
Green Buildings	<p>Acquisition, investments in, construction or renovation of existing and new commercial and residential buildings certified in accordance with any one of the following selected certification systems (“Green building certification”):</p> <ul style="list-style-type: none"> • Hong Kong BEAM Plus: Gold or above • US Leadership in Energy and Environmental Design (LEED): Gold or above • Building Research Establishment Environmental Assessment Method (BREEAM): Excellent or above • Chinese Green Building Label (GBL): 3 Stars or above • Singapore BCA Green Mark Rating: Gold or above • National Australian Built Environment Rating System (NABERS): 5 Stars or above <p>These green buildings may in addition achieve a certification of the following:</p> <ul style="list-style-type: none"> • WELL Building Standard (any level) to improve the environmental health of the building • ActiveScore (any level) to improve the active travel facilities of buildings • SmartScore (any level) to improve and communicate the user functionality and technological foundations of their buildings • ModeScore (any level) to improve the sustainable transport facilities of buildings • WiredScore (any level) to improve digital connectivity and future readiness of buildings 	<p>Hong Kong Taxonomy</p> <ul style="list-style-type: none"> • C-001: Renovation of existing buildings • C-002: Construction of new buildings <p>China Catalogue</p> <ul style="list-style-type: none"> • 6.1.1 Green building construction and operation • 6.1.2 Construction and operation of ultra-low energy consumption and low-carbon buildings 	<p>Climate Change Mitigation</p> 
Energy Efficiency	<p>Investments, expenditure related to the upgrade, modification of new/ existing facilities, equipment, systems and technology for optimising energy management and improvement in energy efficiency. Such facilities, systems and technology would achieve at least 30% improvement in energy efficiency. Measures include but not limited to:</p> <ul style="list-style-type: none"> • Heating, ventilation and air condition (“HVAC”) units • Energy usage monitoring and management system • Smart technologies 	<p>Hong Kong Taxonomy</p> <ul style="list-style-type: none"> • C-003: Installation, maintenance, and repair of building equipment • A-007: District heating and cooling <p>China Catalogue</p> <ul style="list-style-type: none"> • 6.1.3 Retrofitting and operation of existing green buildings 	<p>Climate Change Mitigation</p> 
Renewable Energy	<p>Investments and expenditure relating to the maintenance, construction, design and installation of systems allowing generation of energy from renewable sources such as solar and wind energy</p>	<p>Hong Kong Taxonomy</p> <ul style="list-style-type: none"> • A-002: Electricity generation using solar photovoltaic technology • A-003: Electricity generation from wind power <p>China Catalogue</p> <ul style="list-style-type: none"> • 6.1.5: Building renewable energy implementation 	<p>Climate Change Mitigation</p> 

1. <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>
 2. <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>
 3. <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>
 4. <https://www.lsta.org/content/green-loan-principles/>
 5. <https://www.lsta.org/content/social-loan-principles-slp/>
 6. <https://www.hkma.gov.hk/eng/news-and-media/press-releases/2026/01/20260122-3/>
 7. <https://www.pbc.gov.cn/goutongjiaoliu/113456/113469/5779612/2025071418513641380.pdf>



1A Eligible Green Project Categories

Eligible Project Categories	Description of Eligible Green Projects	Reference to the Hong Kong Taxonomy and China Catalogue	Alignment with Climate Objectives and SDGs
Pollution Prevention and Control	<ul style="list-style-type: none"> Installation of recycling facilities in buildings Adoption and installation of equipment and technologies to reduce environmental pollution during construction and/or building operations 	<p>Hong Kong Taxonomy</p> <ul style="list-style-type: none"> Not covered in Hong Kong Taxonomy Phase 2A <p>China Catalogue</p> <ul style="list-style-type: none"> 2.5.1: Harmless treatment and disposal of industrial solid waste 	<p>Pollution Prevention and Control</p>
Sustainable Water and Waste-water Management	<p>Investment and expenditure relating to projects that reduce water consumption and optimise waste water management, including but not limited to:</p> <ul style="list-style-type: none"> Rainwater recycling and stormwater management systems Artificial Wetland (bio-filtration system) that facilitates the collection and recycling of waste water Low-flow water fitment and flushing devices 	<p>Hong Kong Taxonomy</p> <ul style="list-style-type: none"> G-001: Implementation of stormwater separation G-002: Installing water metering G-003: Implementation of automated water control systems G-004: Installing water resource monitoring equipment <p>China Catalogue</p> <ul style="list-style-type: none"> 3.2.2 Efficient and recycling use of water resources 	<p>Conservation of Natural Resources</p>
Clean Transportation	<p>Investments and infrastructure for clean/zero energy vehicles such as charging stations and automatic bicycle parking systems</p>	<p>Hong Kong Taxonomy</p> <ul style="list-style-type: none"> B-006: Low carbon transport infrastructure <p>China Catalogue</p> <ul style="list-style-type: none"> 6.2.3 Construction and operation of charging, battery swapping, and gas refueling facilities 	<p>Climate Change Mitigation, Pollution Prevention and Control</p>

1B Eligible Social Project Categories

Eligible Project Categories	Description of Eligible Social Projects	Target Population ⁸	Alignment with Social Objectives and SDGs
Affordable Housing	<p>Investments and expenditures in projects that provide affordable housing for the general public and vulnerable groups in accordance with local government and regulatory definitions</p>	<p>Populations that are eligible for affordable housing as defined by the local authority</p>	<p>Reduced Inequality</p>
Employment Generation and Programmes	<p>Investments and expenditures in projects that provide affordable workspace for the general public and vulnerable groups in accordance with local government and regulatory definitions</p>	<p>Populations that are eligible for affordable workspace as defined by the local authority</p>	<p>Reduced Inequality</p>
Socioeconomic advancement and empowerment	<p>Investments, expenditure and financing in projects that seek to employ underprivileged individuals, as well as community programmes that contribute meaningfully to community wellbeing, aligning with local priorities and creating positive and lasting impact</p>	<p>Vulnerable and underserved population groups such as single parents, housewives, physically, mentally, or socially disadvantaged persons</p>	<p>Reduced Inequality</p>

⁸ The Target Population will be the exclusive recipients / beneficiaries of the proceeds applied towards specific social projects.
⁹ Vulnerable groups are physically, mentally, or socially disadvantaged persons who may be unable to meet their basic needs and may therefore require specific assistance.

2 Process of Project Evaluation and Selection



Eligible Projects are identified and selected via a process that involves representatives from various functional areas within the Group, including but not limited to representatives from:

- Sustainability and Shared Value (SEWIT) Department
- Treasury Department
- Finance & Accounts Department

Representatives from these teams will form a sustainable finance working group (“SFWG”) and will meet at least once every 12 months to assess eligibility criteria and select Eligible Projects. The final Eligible Projects selection will be reviewed and approved by senior management of the Group, including the Chairperson of the SEWIT Committee.

The SFWG will also look to actively identify and manage potentially material environmental and social risks that could be associated with the Eligible Projects, if applicable.

The SFWG will ensure that the selected Eligible Projects in accordance with the Eligible Green or Social Project Categories, as well as evaluation and selection process described above.

The SFWG will monitor allocated projects’ compliance with the Eligibility Criteria listed in Section 1A and 1B throughout the life of the bond or loan.

If the allocated projects cease to fulfil the Eligibility Criteria, the net proceeds will be re-allocated to replacement projects that comply with the Eligibility Criteria as soon as reasonably practicable.

3 Management of Proceeds

The net proceeds from each SFT issued/borrowed will be managed by the Group’s Treasury team.

The Group’s Treasury team will maintain and manage an internal project register to record the SFTs as well as corresponding information relating to these SFTs. The register will include the following:

Type of Funding Transactions:

Key information includes issuer/ guarantor of borrowings, principal amount of proceeds, repayment or amortisation profile, maturity date, interest rate and other relevant information with respect to the SFTs.

Allocation of Proceeds:

- The name and description of Eligible Projects to which proceeds of the SFTs have been allocated
- Amount of SFTs proceeds allocated to each project
- Remaining balance of unallocated proceeds and other relevant information

The Group commits to allocating proceeds raised from each SFT within 12 months of issuance to the extent possible. Net proceeds from SFTs pending allocation will be held in accordance with the Group’s internal liquidity guidelines including investments, short-term deposits or repay existing borrowings of the Group.

4 Reporting

The Group is committed to transparent reporting on its sustainability vision, strategy, and targets as well as the allocation of proceeds towards SFTs. The Group will provide information on the allocation of the net proceeds of the SFTs on its website. Such information will be provided on an annual basis until all the net proceeds have been allocated or as long as there are any SFTs existing, and as necessary in the event of a material developments. The Group will look to share the following information:

- Total amount of proceeds allocated to Eligible Projects
- List of Eligible Projects that are being funded by the SFTs
- Balance of unallocated proceeds raised from SFTs



With regards to impact reporting, where feasible, the Group will look to provide qualitative and quantitative information relating to performance indicators of the Eligible Projects funded. Such performance indicators may include, but are not limited to, the below:

Eligible Green Project Categories	Potential performance indicators
Green Buildings	<ul style="list-style-type: none"> Number and certification level achieved Energy consumption reduction (kWh) GHG emissions avoided (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none"> Energy consumption reduction (kWh)
Renewable Energy	<ul style="list-style-type: none"> Number of solar and PV panels installed Renewable energy generated (kWh) GHG emissions avoided (tCO₂e)
Pollution Prevention and Control	<ul style="list-style-type: none"> Number of recycling facilities installed Amount of waste reduced (tonnes)
Sustainable Water and Waste-water Management	<ul style="list-style-type: none"> Water consumption reduction (m³) Amount of water recycled (m³)
Clean Transportation	<ul style="list-style-type: none"> Number of electric vehicle charging stations installed GHG emissions avoided (tCO₂e)
Eligible Social Project Categories	Potential performance indicators
Affordable Housing	<ul style="list-style-type: none"> Number of affordable housing units provided Number of households benefitted
Employment generation and programmes	<ul style="list-style-type: none"> Number of affordable workspace units provided Number of businesses benefitted
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> Number of beneficiaries Social value generated or facilitated



Appendix: External Certifications

Building Environmental Assessment Method (BEAM) Plus (“BEAM Plus”)

Recognised and certified by the Hong Kong Green Building Council, BEAM Plus offers a holistic set of performance criteria on sustainability issues relating to the planning, design, construction, commissioning, management, operation and maintenance of a building. The fair and objective assessment of a building’s overall performance throughout its life cycle enables organisations and companies of all sizes to benchmark and demonstrate their sustainability efforts and commitment. For more information, please visit <https://www.hkgbc.org/hk/eng/>.



Building Research Establishment Environmental Assessment Method (“BREEAM”)

Developed by the Building Research Establishment in the United Kingdom, BREEAM is a sustainability assessment method for masterplanning projects, infrastructure, and buildings. It recognises and reflects the value in higher-performing assets across the built environment lifecycle, from new construction to in use and refurbishment. Ten sustainable values are measured: energy, health and wellbeing, innovation, land use, materials, management, pollution, transport, waste, and water. The BREEAM assessment grants five levels of ratings: Pass, Good, Very Good, Excellent, and Outstanding, denoted by a series of stars on the certificate. As part of the assessment process, third-party certifications are conducted by licensed assessors. For more information, please visit: <https://www.breeam.com/>.

China Green Building Evaluation Standard (“Three Star System”)

Introduced by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China, the Three Star System is a voluntary green building rating standard used in the Mainland for residential and public buildings (including commercial, hotel and government-owned). Areas of assessment cover land savings and outdoor environmental management, the saving and utilisation of energy, water and materials, indoor environmental quality, construction, and operational management. The Three Star System grants three levels of ratings: one-star, two-star and three-star. For more information, please visit <http://www.cngb.org.cn/>.

Leadership in Energy and Environmental Design (“LEED”)

Developed by the U.S. Green Building Council, LEED is a voluntary, third party building certification process. LEED certification provides independent verification of a building or neighborhood’s green features,



enabling the design, construction, operation, and maintenance of resource-efficient, high performing, healthy, cost-effective buildings. LEED is applicable to buildings at any development phase, ranging from new constructions to existing buildings, and is also available for all building types, from homes to hospitals to corporate headquarters. For more information, please visit <https://new.usgbc.org/leed>.

Singapore Building and Construction Authority (“BCA”) Green Mark

Launched by the BCA of Singapore, the BCA Green Mark is a benchmarking scheme that supports sustainably-built environments in environmental design and construction and the adoption of green technologies. The BCA Green Mark Scheme rates buildings according to five key criteria, including energy efficiency, water efficiency, environmental protection, indoor environmental quality, and other green and innovative features that contribute to better building performance. The building assessment will grant buildings one of four Green Mark Ratings: Green Mark Certified, Gold, GoldPlus or Platinum Award. BCA will conduct site verification upon project completion. For more information, please visit <https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certificationscheme>.

External Review

The Group has engaged an independent third party Moody’s to conduct an external review of this Framework. Moody’s reviewed the Framework and confirmed it is in alignment with GBP, SBP, SBG, GLP and SLP.

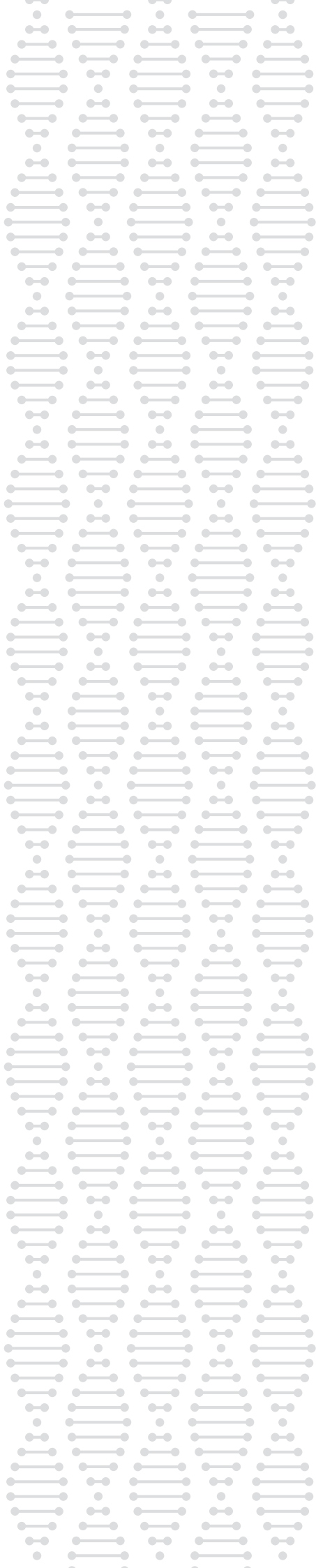
The Second Party Opinion, as well as the Sustainable Finance Framework hereof will be published and made available at <https://www.nanfung.com/en/>

Amendment to the Framework

The Framework will be in force as long as there are outstanding SFT(s). Nan Fung will review this Framework on a regular basis. Such review may result in this Framework being updated and amended, in which case Nan Fung intends to obtain an updated SPO as to comply with the principles set out in this Framework.

Nan Fung commits to communicate changes with investors via Nan Fung Group’s official website. Future updates to this Framework, if any, will be published on Nan Fung’s website and will replace this Framework.





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