SEWIT REPORT 2025-26



南豐集團
NAN FUNG GROUP

SEWIT
TURNING PURPOSE INTO IMPACT

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Message from the Board



> At the core of our value to Do Good and Do Well, with Love, we believe success is not measured solely by financial performance but also by the positive contributions we make to society.

Antony Leung
Group Chairman

With the publication of Nan Fung Group's fourth SEWIT Report, we mark another year of progress in embedding environmental, social, and governance principles into the way we operate and grow. Guided by our SEWIT framework and its five strategic pillars – Social Cohesion, Environment, Wellness, Innovation, and Technology – our focus remains on creating long-term value, strengthening business resilience, and contributing positively to our communities in an ever increasingly volatile, uncertain, complex, and ambiguous ("VUCA") world.

This year's report highlights our efforts in managing sustainability-related risks and opportunities while continuing to reinforce governance, transparency, and accountability in our daily operations with the aid of artificial intelligence ("AI").

Advancing our Understanding of What Matters

A key milestone this year was undertaking our first double materiality assessment, reflecting evolving stakeholder expectations, regulatory developments, and global trends. Through this process, we assessed sustainability topics from a financial lens, considering how sustainability-related risks and opportunities may affect the Group's enterprise value, as well as from an impact lens, evaluating our actual and potential impacts on the economy, environment, and people. This enables us to prioritise the topics most relevant to our business and sharpen our strategic focus, ensuring they are integrated in long-term decision making.

Building Climate and Nature Resilience

Addressing climate change remains a top priority for the Group. We continue to enhance our ability to anticipate and manage climate risks arising from intensifying extreme weather events and emerging regulatory requirements. During the reporting year, we conducted the third asset-level climate adaptation and financial assessment, covering Yi Fung Place in Shanghai in alignment with our Climate Change Policy and the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The findings informed our strategic direction to strengthen our climate preparedness and resilience for that particular project.

This year also marked our first step in assessing nature-related risks and opportunities in alignment with the recommendations of the Taskforce on Nature-related Financial Disclosures ("TNFD"). Following the LEAP approach, we screened our portfolio to identify sites located in or near ecologically sensitive areas and assessed how our business activities depend on and impact nature.

These insights help us identify priority locations and opportunities to integrate biodiversity considerations across our portfolio. Over time, this will inform Group-level development standards, biodiversity initiatives, and our nature strategy.

Creating Lasting Value

We are committed to embed sustainability in how we think, plan, and act as a business. At the core of our value to Do Good and Do Well, with Love, we believe success is not measured solely by financial performance but also by the positive contributions we make to society. As we navigate an increasingly VUCA world, this purpose remains our compass, guiding collaboration and innovation.

I extend my sincere appreciation to our employees, partners, and stakeholders for their unwavering commitment in advancing our sustainability journey. Together, we look ahead with confidence as we create a better world for generations to come.

Message from the Board



> “Not only has AI reshaped and compelled industries to innovate, but it has also inspired and empowered our colleagues to thrive at work with greater agility.

Vincent Cheung
Group Chief Executive Officer

Nan Fung Group has always embraced change and evolved with purpose and ingenuity. From our origins as a textile manufacturer, we have grown into a diversified enterprise spanning property development and investment, life sciences, and financial investments.

While our businesses have expanded over the decades, the spirit of reinvention has remained the same. Today, technology-enabled innovations are at the core of how we strengthen our competitiveness for long-term success.

This year’s SEWIT Report reflects the continued efforts we have made in harnessing technology and data to drive progress across the Group, from advancing sustainable finance to exploring new ways to create positive impact for our stakeholders and communities.

Harnessing Technology and Data

One of the most significant developments this year has been the accelerated adoption of AI across the Group. Not only has AI reshaped and compelled industries to innovate, but it has also inspired and empowered our colleagues to thrive at work with greater agility.

Within our property management operations, we have introduced an AI-powered assistant built on a comprehensive database. This system allows property management teams to instantly access structured and unstructured data, enhancing operational efficiency while elevating service quality.

At NF Trinity and Pivotal Life Sciences (“Pivotal”), our investment processes are increasingly supported by data-driven, AI-enabled tools. From strengthening due diligence and enhancing risk assessment to enabling more sophisticated scenario modelling, these capabilities allow us to navigate market uncertainty and identify opportunities with greater confidence.

Advancing Sustainable Finance

Over the past year, we have continued to innovate in the field of sustainable finance. The Group secured a first-of-its-kind sustainability-linked loan connecting financing terms to measurable social impact delivered across our Hong Kong portfolio. This pioneering structure demonstrates how financial innovation can support both commercial performance and positive social outcomes.

Evolving with Purpose and Ingenuity

The world continues to evolve at an unprecedented pace, shaped by technological breakthroughs, shifting economic and geopolitical forces, and changing sustainability expectations. Against this backdrop, our ability to adapt, innovate, and collaborate will remain fundamental to our success.

We continue exploring new ways to scale impact through SEWIT-as-a-Service, extending our sustainability expertise to tenants and partners. By sharing solutions and capabilities developed within the Group, we aim to support each other in achieving shared sustainability ambitions while generating broader positive impact across our communities.

My heartfelt gratitude to the Board and the SEWIT Committee for their leadership, and to our employees, partners, and stakeholders whose collaboration makes our progress possible. Together, we will continue to evolve and create a thriving, sustainable future defined by opportunity and positive impact.

Message from the Board



> By strengthening the SEWIT-as-a-Service model, expanding our innovation ecosystem, and deepening cross-sector partnerships, we will continue demonstrating that commercial success and societal good go hand in hand.

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

Turning sustainability strategy into action demands bold action, creative conviction, and unwavering commitment. Across the Group, we continue to translate our SEWIT framework into lasting, tangible outcomes for our business and the communities we serve. Guided by the belief that sustainability goes far beyond compliance, we have been actively deepening collaboration with tenants, partners, and local networks — advocating for social impact and driving the momentum needed for purposeful delivery.

Strengthening Tenant Collaboration

Profound progress never happens in isolation. Through SEWIT-as-a-Service, we cultivate a shared vision for sustainable progress, best exemplified in our award-winning[1] tenant-landlord engagement programme, Net Positive Lease ("NPL"). In late 2025, we hosted our first NPL event, Positive Pulse Connect, where we brought together over 100 like-minded partners to celebrate shared milestones and explore new possibilities for collaboration.

Three years in, NPL continues to unlock mutual value through joint actions. A hero example is our pioneering "Air-Conditioning ("AC") Opt-Out" initiative, which encourages tenants to minimise AC usage during low-priority hours. From rethinking simple habits to co-curating bespoke materiality-based programmes, our NPL community is living proof that every step forward, big or small, sparks remarkable impact when we rally around a shared purpose.

Advocating for Social Impact

Our commitment to building a resilient social fabric is most evident in our comprehensive social impact strategy. This year, we achieved HK$142 million in cumulative social value, proudly surpassing our Group-wide target of HK$100 million by 2030 well ahead of schedule.

As the first property developer in Hong Kong to publicly commit to a social value ambition, we further cemented our global leadership in the space as a founding member of Social Value Portal's Global Social Value Taskforce. Together with leading organisations, we help shape standards and methodologies that measure and scale positive societal impact across the globe.

Powering Purpose-Driven Innovation

Our love and curiosity for the future is what continues to fuel our sustainability ambition, which extends well beyond our core operations. Through our innovation engine, The Mills Fabrica ("Fabrica"), we actively nurture and scale cutting-edge solutions that address pressing sustainability challenges at their root.

This past year, we took momentous strides across the agrifood and techstyle ecosystem — launching a global challenge to decarbonise food value chains, hosting our inaugural agrifood exhibition, as well as bringing circular design and material innovation to the global stage. By uniting visionaries, innovators, entrepreneurs, and knowledge leaders, we will continue to enable high-impact ideas to power systemic change in traditional supply chains.

Looking ahead, we see tremendous opportunity to scale our impact. By strengthening the SEWIT-as-a-Service model, expanding our innovation ecosystem, and deepening cross-sector partnerships, we will continue demonstrating that commercial success and societal good go hand in hand.
My sincerest gratitude to our Board, the SEWIT Committee, colleagues, and partners for their continued support. Together, we look forward to building a more purposeful world for all.

[1] NPL won the Shared Value Program of the Year at the 2024 Shared Value Awards, the first Hong Kong-based winner in this category.

About this Report

Reporting Period and Boundary

This SEWIT Report 2025–26 (“the Report”), published in October 2026, is Nan Fung Group’s (“Nan Fung” or “the Group”) fourth sustainability report showcasing our performance across the five strategic pillars of SEWIT, the Group’s sustainability framework. The Report provides an integrated and balanced overview of the Group’s impacts and achievements across Nan Fung’s material topics for the financial year 1 April 2025 to 31 March 2026 (“the reporting year”). Disclosures in this Report reflect the boundaries of the Group’s operational control across our core businesses, including property development and investment[2], life sciences, and financial investments, across the key markets where Nan Fung operates, namely Hong Kong, the Chinese Mainland, the United Kingdom (“UK”), the United States (“US”), and Singapore. The Report is published online on an annual basis and can be accessed on Nan Fung’s corporate website.

Reporting Standards and External Assurance

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards 2021. We have obtained independent external assurance for the content of this Report, with the Group’s SEWIT Committee overseeing the process. Please refer to the External Assurance section in the Appendices for more information.

Contact Us

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



[2] Covers 103 assets or developments

About Nan Fung

Nan Fung Group[3] is a privately held multinational conglomerate. Headquartered in Hong Kong, with a deeply rooted presence in the city, the Group has evolved from a leading local cotton yarn manufacturer into a global business operating in various realms, including property development and investment, property management and construction, life sciences, and financial investments.

Business Overview

Nan Fung Group is a leading property developer, owner, and operator in Hong Kong, with an extensive record of over 170 development and investment projects. Our activities encompass new developments and revitalisation projects, along with strategic investments in the Chinese Mainland and international property markets.

Beyond our property business, we invest across the life sciences value chain, from early-stage innovation to growth-stage platforms, through Nan Fung Life Sciences ("NFLS"). NFLS aspires to be the ideal partner for scientists, entrepreneurs, corporations, and investors, translating innovation into impactful solutions for our communities. 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, fostering cross-market collaboration and ecosystem development in key global innovation hubs.

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



Our Core Values

Our core values are deeply rooted in our founder Dr. Chen Din Hwa's motto, "Care for others as well as you would care for yourself", which guides how we grow and support our stakeholders. Inspired by this motto and the spirit to "Do Good and Do Well, with Love", our sustainability framework, SEWIT, underpins the Group's strategic approach to creating positive impact in our business in a rapidly VUCA world.

Our core values of Quality, Value, Innovation, and Service serve as foundational principles that shape every aspect of our business — from strategic decision-making to daily operations. These values guide how we design and manage our properties, support our portfolio companies and investment partners, and respond to evolving stakeholder expectations.

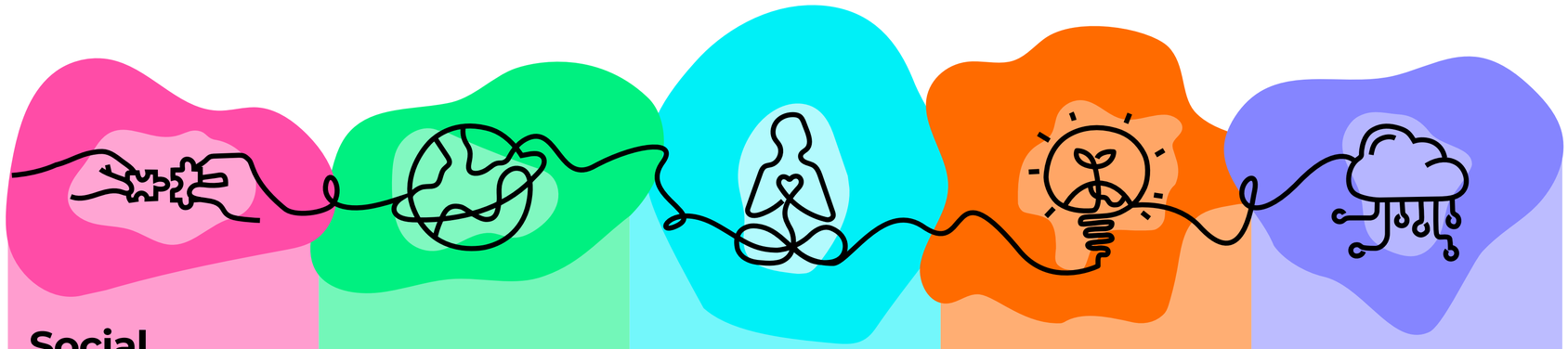
In line with our core values, we strive to cultivate a culture of trust, compassion, and empowerment among our colleagues, stakeholders, partners, and communities, as we contribute towards building a thriving society. Our sustainability-related practices are increasingly technology-enabled and span the Group's full value chain, as we aim to deliver products and solutions that create lasting benefits.

[3] "Nan Fung Group", "Nan Fung", "the Group", "we", "us", and "our" in this Report refer to Nan Fung Group Holdings Limited, a principal subsidiary of Nan Fung International Holdings Limited, and its respective wholly owned subsidiaries

Sustainability Strategy and Highlights

At Nan Fung, sustainability lies at the core of our vision to build thriving, resilient communities, guiding how the Group grows and creates shared value with our stakeholders.

Our sustainability framework, SEWIT — encompassing five strategic pillars of Social Cohesion, Environment, Wellness, Innovation, and Technology — translates this vision into clear priorities and actions, shaping how we plan, invest, develop, and operate across our businesses.



Social Cohesion

recognises that meaningful connections among stakeholders are essential to a vibrant society.

We actively engage with communities and partners, empower employees, and enhance customer experiences, contributing to collective prosperity.

Environment

underpins our vision for a resilient future, recognising 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 individuals across our value chain.

Our investment in wellness shapes our strategies and initiatives that support the overall wellbeing of our employees, tenants, customers, and broader communities.

Innovation

drives our ambition to turn vision into action, enabling new ideas, business models, and partnerships to flourish.

By nurturing a culture of creativity, collaborating with entrepreneurs, and empowering our people to develop forward-thinking solutions, we foster an ecosystem that supports meaningful progress.

Technology

empowers and reinforces each of our pillars, transforming 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 businesses and the communities we serve.

SEWIT-as-a-Service

In 2025, we further advanced the impact of SEWIT through SEWIT-as-a-Service, an innovative business strategy designed to empower and support both internal teams and external partners in achieving their business and sustainability ambitions. SEWIT-as-a-Service focuses on three strategic priorities: unlocking new revenue by offering differentiating products and services for tenants and customers, saving costs through innovative solutions that optimise resource management, and enhancing efficiency by streamlining processes and fostering meaningful synergy between our teams. By bringing people and technology together to achieve shared goals, SEWIT-as-a-Service reinforces collaboration, accelerates innovation, and deepens impact across the Group and the communities we serve.

SEWIT-as-a-Service is ingrained in the fabric of how we work — guiding day-to-day decisions, inspiring creativity, and shaping a shared vision for sustainable progress. All our colleagues are encouraged to set SEWIT-as-a-Service Objectives and Key Results ("OKR") that provide clarity, focus, and alignment on collective actions across the Group. During the reporting year, over 90% of our colleagues set at least one SEWIT-as-a-Service OKR. Building on this momentum, SEWIT-as-a-Service enables us to reimagine what sustainable business practices look like — delivering tangible business value for our stakeholders while contributing to a more resilient, inclusive future.

Social Cohesion

Social Impact Advocacy

Became a founding member of **Global Social Value Taskforce**

Completed a **sustainability-linked loan** that incorporated social value

Social Value[4]

A total social value of **HK$55.7 million** generated or facilitated in the reporting year

HK$26.3 million in Hong Kong	HK$29.4 million in other key operating markets

A cumulative social value of **HK$142.1 million** generated or facilitated since FY2023–24

Target achieved: Generate or facilitate a cumulative social value of **HK$100 million** by 2030

Talent and Organisational Development

An average of **25 training hours** per employee provided

Target achieved: Provide at least **20 training hours** per employee annually

Net Positive Lease



Environment

Decarbonisation[8]

For development projects, reduced **74% of Scope 1 and 2** and **99% of Scope 3 greenhouse gas ("GHG") emissions** from a baseline year of 2021

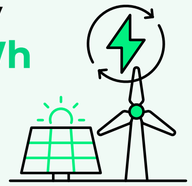
Target in progress: Reduce GHG emissions by **46.2%** and **99.6%** by 2031 and 2050 respectively

For buildings in operation, reduced **5% of Scope 1 and 2** and **42% of Scope 3 GHG emissions** from a baseline year of 2022

Target in progress: Reduce GHG emissions by **46.2%** and **99.6%** by 2031 and 2050 respectively

Renewable Energy

1,272,835 kWh
of on-site renewable energy generated



Nature- and Climate-related Disclosures

Published the Group's **first nature-related disclosures** aligned with the Taskforce on Nature-related Financial Disclosures

Completed the Group's **third asset-level climate adaptation and financial assessment** covering Yi Fung Place in Shanghai

Wellness

Workplace Wellness

↑6% willingness to improve physical health

↑5% weekly average exercise time

WHO-5 score[9] improved with average score above the mental wellbeing passing score

Occupational Health and Safety

0.87 Lost Time Injury Rate ("LTIR") recorded

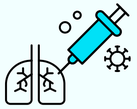
Target achieved: Maintain an LTIR **below 2.0 for employees**

0 employee fatalities recorded

Target achieved: Maintain **zero employee fatalities**

Wellness for Humankind

NFLS supported Vaxcyte in advancing next-generation pneumococcal vaccine innovation, including **VAX-31**, a candidate designed to provide broader serotype coverage and strengthen protection for populations most vulnerable to invasive pneumococcal disease



Innovation

NF Touch Membership Programme

Over 3 million NF Seeds converted into

11,000 donations

16 NGOs benefitted

The Mills Fabrica

Made a new direct investment in developing **sustainable protein ingredients** for aquafeed and pet food applications

40 agrifood and techstyle innovators showcased

NF Trinity

Featured in **The Family Office Playbook** developed by the HKSAR Financial Services and Treasury Bureau, Invest Hong Kong, and Bloomberg to support family offices scaling in Hong Kong

70+ events hosted or participated in to foster thought leadership among family offices

Life Sciences Research and Investment

40 academic research projects sponsored through the Life Sciences Research Sponsorship Programme since 2017

US$1.4b+ committed to over 70 companies and 40 funds through NFLS and Pivotal since 2017

Technology

Property Technology

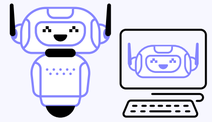
Implemented **drone inspection system at Jardine Court** to enhance site monitoring and management

Enhanced **visitor management system at AIRSIDE** to enable seamless and contactless office access

Artificial Intelligence

MY AI

platform launched and engaged more than 500 users to provide access to AI capabilities and advance digital transformation journey



Enabled cross-departmental process transformation through

Fiann to streamline access to corporate information

VIVA Genie to elevate customer service quality

Accelerated investment research and processes through **AI-enabled tools, conversational analytics, and systematic screening**

[4] Calculated using financial proxies to monetise social impact, based on internationally recognised methodologies for impact measurement, and independently verified by The Chinese University of Hong Kong in 2023
[5] Measured by occupied lettable floor area
[6] Covers major properties in Hong Kong, the Chinese Mainland, the UK, and the US
[7] Covers major properties in Hong Kong including AIRSIDE, The Mills, TKO Plaza, Nan Fung Tower, Nan Fung Place, and 33 Des Voeux Road West
[8] The Science Based Targets initiative has validated Nan Fung's near- and long-term targets for Hong Kong properties
[9] The World Health Organization-Five Well-Being Index (WHO-5) is a self-report instrument measuring mental wellbeing

Awards and Recognitions

Nan Fung Group's commitment to sustainability continues to gain recognition across the industry. In the reporting year, our efforts to advance environmental stewardship, social impact, and responsible governance were acknowledged through notable awards and benchmark ratings that reaffirm our dedication to building a sustainable future.

Global Real Estate Sustainability Benchmark

- Global Sector Leader in the Diversified – Office/Retail Sector
- Five-star rating

Hong Kong ESG Reporting Awards

- Best Sustainability Report for Non-listed Company – Commendation
- Excellence in Social Positive Impact – Commendation

Hong Kong Management Association Sustainability Award

Certificate of Excellence

Social Value Portal – Global Social Value Taskforce

Founding Member

Social Value Portal – Social Value Awards

Global Excellence – Highly Commended

CareER

Disability Inclusive Employer

"Caring Employer" Medal

Level 1 Disability Inclusive Supporter

American Society of Heating, Refrigerating and Air-Conditioning Engineers Hong Kong Chapter – Technology Award

Winner in Commercial Buildings (New) Category

Green Building Award

- Green Building Leadership Category: Facilities Management – Pioneer
- Existing Buildings Category: Facilities Management – Grand
- Existing Buildings Category: Interiors – Merit

Materiality

Our Materiality Approach

The Group recognises that a clear understanding of our sustainability issues — including how our activities impact the economy, environment, and people, and how these issues affect our financial performance — is essential to shaping our sustainability strategy and supporting long-term business resilience.

Stakeholder Engagement

Ongoing and transparent stakeholder engagement remains integral to our approach to identifying sustainability-related impacts across our value chain. We regularly engage with stakeholders through diverse channels to understand their expectations and priorities. These engagements occur year-round and help define the sustainability-related topics that are material to our business and our stakeholders.

Please refer to the Stakeholder Engagement section in the SEWIT Report 2023–24 for more information.

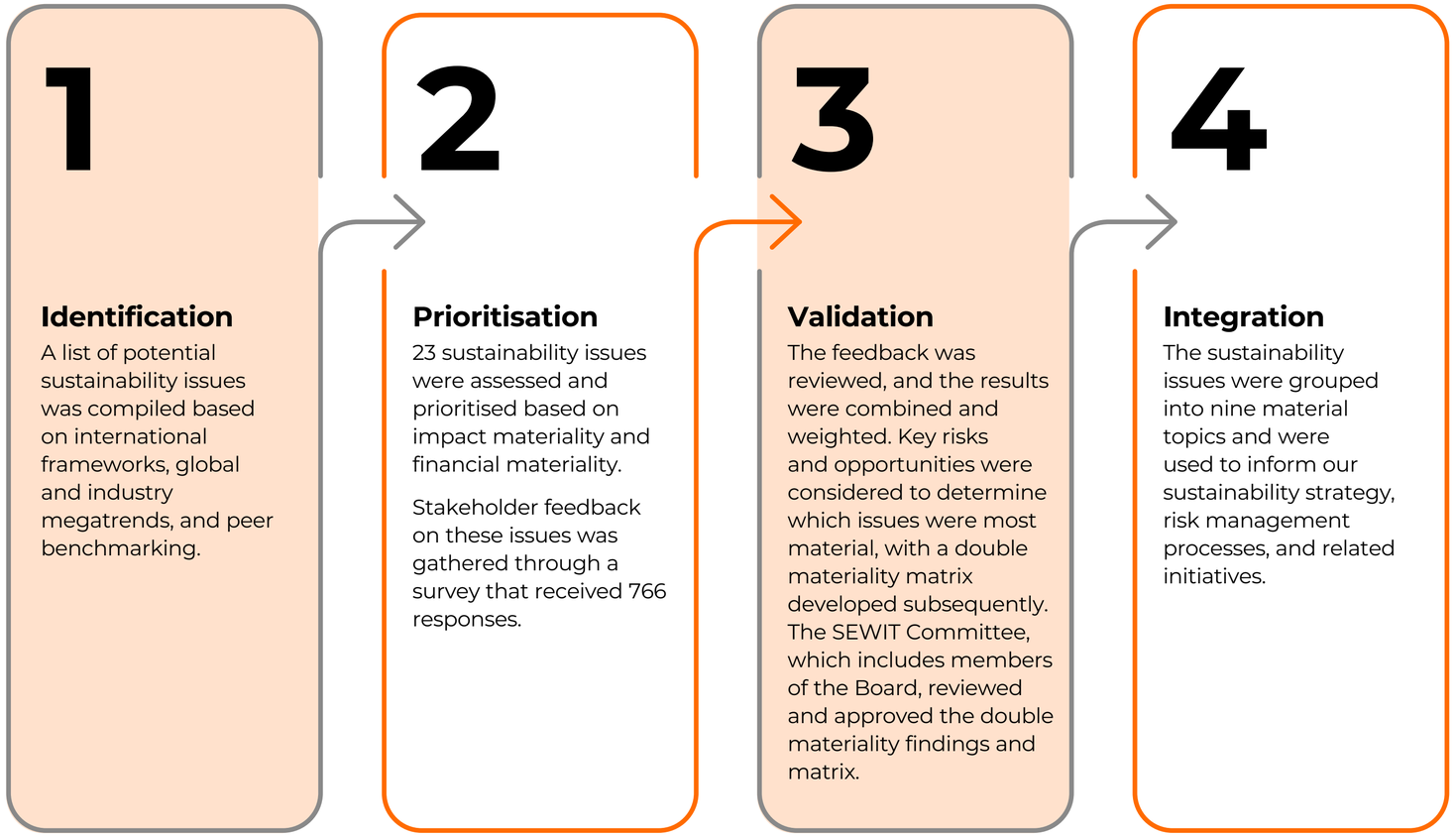
Materiality Assessment

In previous years, the Group assessed materiality primarily through an impact lens, identifying the most significant sustainability issues that influence our stakeholders, the environment, and the communities we serve.

In this reporting year, we advanced our approach by undertaking a double materiality assessment, reflecting evolving stakeholder expectations, regulatory developments, and global sustainability trends. Through this approach, we assessed sustainability issues from two perspectives: financial materiality, considering sustainability-related risks and opportunities that could potentially affect the Group's enterprise value, with reference to International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-related Financial Information; and impact materiality, evaluating our actual and potential impacts on the economy, environment, and people, as defined by the GRI Standards.

We gathered feedback through surveys with a broad range of stakeholders, including tenants, employees, academia and schools, bankers and investors, community and NGO partners, customers and consumers, government representatives and regulators, joint venture partners, media, professional bodies and industry experts, suppliers, vendors, and contractors.

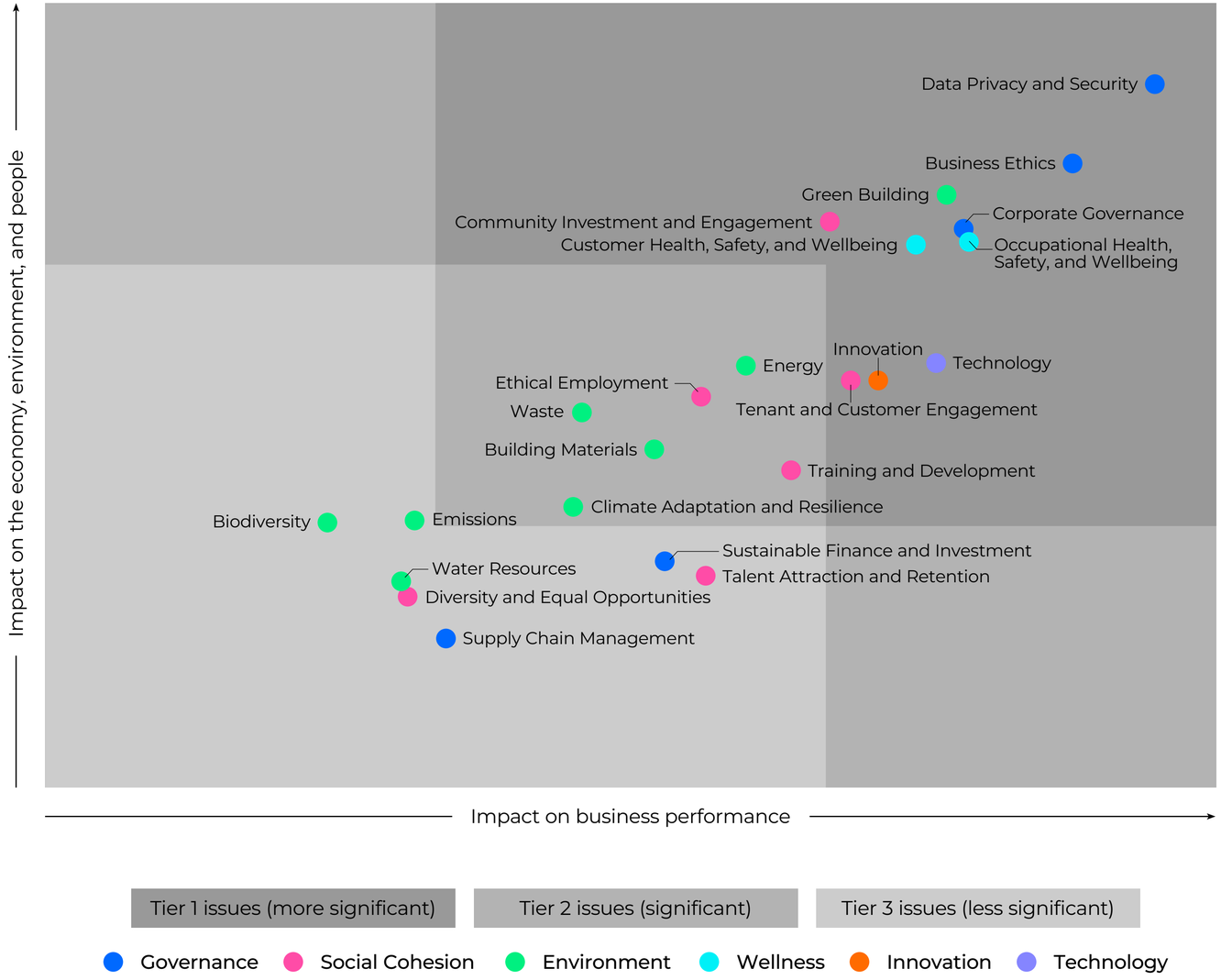
We adopted the following steps to assess the significance of sustainability issues under our double materiality approach:



Our Materiality Matrix

The validated double materiality matrix highlights sustainability issues of greatest importance to the Group and our stakeholders, categorised into three tiers. Data privacy and security as well as business ethics remain critical, with corporate governance recognised as a core strength, supported by high ethical standards and robust risk management across all jurisdictions in which we operate. Green building remains a key focus alongside occupational health and safety, with customer health also prioritised, reflecting our commitment to delivering high-performance, resource-efficient, health-enhancing projects.

Other important issues include community investment and engagement, tenant and customer engagement, as well as innovation and technology. By understanding our stakeholders' needs and expectations, we aim to create quality spaces, solutions, and partnerships that strengthen our business resilience and placemaking. These efforts are intended to foster deeper relationships with the communities and customers we serve, while enabling us to contribute meaningfully to their wellbeing and create lasting impact.



SEWIT in Action: Net Positive Lease

Officially launched in 2023, NPL[10] is a tenant-landlord partnership programme designed to create shared environmental and social value. Spanning the entire tenancy cycle, NPL unlocks tenant-landlord synergies by providing a comprehensive suite of resources, including sustainable fit-out and procurement guidelines, as well as opportunities to participate in social initiatives addressing community needs. The programme also empowers tenants to track and enhance their sustainability performance through a real-time, cloud-based platform.

In the reporting year, NPL tenants have achieved encouraging results:

HK$13.4 million worth of social value generated[11] through tenant-led initiatives

6.8% reduction in energy use intensity achieved, saving approximately 889,188 kWh

5.6%-point increase in waste diversion rate achieved, reducing 64,800 kg of waste sent to landfill



NPL achieved a significant milestone, surpassing its global participation target of 50% by 2025 ahead of schedule. As of March 2026, participation covers 54.9%[12,*] and 75% of occupied lettable floor area across the Group's major properties in Hong Kong[13] and globally[14], respectively. Over 100 office, retail, and food and beverage ("F&B") tenants have joined the expanding community, working together to advance shared sustainability ambitions.

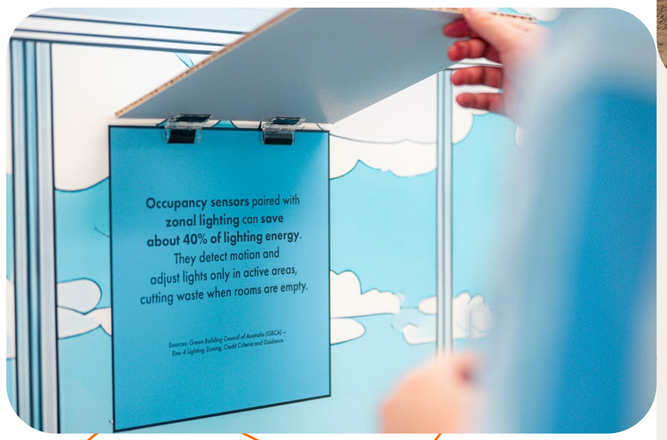
[10] Net Positive Lease is intended to be renamed as SEWIT Lease
[11] Since programme launch
[12] Obtained independent verification from third-party assurance
[13] Covers major properties in Hong Kong including AIRSIDE, The Mills, TKO Plaza, Nan Fung Tower, Nan Fung Place, and 33 Des Voeux Road West
[14] Covers major properties in Hong Kong, the Chinese Mainland, the UK, and the US

2025 Tenant Celebration – Positive Pulse Connect

To mark NPL's progress and milestones, the Group hosted an inaugural celebration event, Positive Pulse Connect, at AIRSIDE, bringing together over 220 tenant representatives and business partners from 71 companies. The event provided an opportunity for our NPL stakeholders to exchange ideas, share insights, and celebrate collective achievements. It featured a panel discussion among tenants sharing implementation experiences and best practices, followed by an awards ceremony to recognise tenants who have made positive environmental and social impact, fostering deeper learning and strengthening partnerships across Nan Fung's tenant community.

Additionally, we invited participants to explore three thematic booths that demonstrated how sustainability practices support healthier workplaces, stronger communities and more sustainable operations:

- **Social Value Lab:** showcased the Group's social value strategy and structured local materiality assessment process, highlighting how community needs are identified, addressed, and quantified. Supported by the SEWIT Consultancy[15], the booth demonstrated how social value can be maximised through a place-based community investment approach, from understanding local priorities to co-creating impactful initiatives with tenants and partners.
- **Green Lounge:** highlighted practical environmental tips for office operations and introduced carbon audit services available for NPL tenants, helping audiences understand their environmental footprint and identify actionable steps to advance their decarbonisation journey.
- **Wellness Pavilion:** focused on promoting physical and mental wellbeing through experiential activities, and introduced the SEWell Six Pillars of Employee Wellness Framework. Participants also received personalised wellness tips, reinforcing the importance of holistic wellbeing in supporting focus, adaptability, and productivity in the workplace.





Positive Pulse Connect was both a celebration of our tenants' achievements and a key milestone in bringing our SEWIT-as-a-Service strategy to life.

As we scale NPL across our portfolio, the event showcased how we support tenants by going beyond traditional leasing relationships, offering tools, experiences, and advisory services that support them in advancing social, environmental, and wellness outcomes in their workplaces.



[15] SEWIT Consultancy, established in 2025, is a member of the Nan Fung Group and provides integrated social impact measurement services to partners from charitable foundations, NGOs, social enterprises, and corporate sustainability teams

NPL in Action

Optimising Cooling to Create Shared Value

Cooling energy accounts for a significant share of office energy consumption in our tenants' spaces, and the costs are traditionally embedded within management fees regardless of actual usage. Recognising the opportunity to encourage more efficient consumption and align operational efficiency with environmental performance, in the reporting year, we piloted the Air-Conditioning Shared Value Incentive Initiative, incentivising tenants to minimise energy use by opting out of unnecessary cooling across selected zones, without disrupting business operations. This initiative aligns premium service provision with responsible energy use, generating shared value through lower energy consumption, cost savings, and enhanced tenant engagement.

During the reporting year, the scheme was piloted with several office tenants at AIRSIDE, achieving a 22.2% reduction in cooling energy use. Building on these encouraging results, we will continue to explore innovative energy optimisation strategies and expand the initiative across our portfolio.

Leveraging AI to Strengthen Waste Management

During the reporting year, we partnered with Spare-it, a green tech innovation startup to conduct AI-powered waste audits for selected tenants. The audits analysed waste composition, contamination levels, and recycling gaps, generating insights that help tenants identify opportunities to reduce waste, reuse materials, and increase recycling. Building on these findings, we offer advisory support to enhance on-site waste management practices, together with customised training and implementation guidance. Looking ahead, we plan to track performance against waste diversion targets and offer incentives to tenants for achieving improvement.

Empowering Tenants to Quantify Social Impact

Tam Jai International ("Tam Jai"), one of our NPL tenants at TKO Plaza, became the first F&B tenant to undergo a comprehensive social impact assessment conducted by the SEWIT Consultancy. The assessment evaluated Tam Jai's Surplus Pork Belly Upcycling Project, which transforms surplus food ingredients into value-added lifestyle products. Using a robust measurement methodology, the project achieved a social return on investment ("SROI") of 1:2.03, meaning HK$2.03 worth of social value was generated for every HK$1 invested[16]. This project also provided data-backed recommendations to maximise the impact of Tam Jai's future programmes, in line with their strategy to adopt systematic measurement and improve decision-making.

Improving Physical Wellbeing in the Workplace

Under NPL's wellness offering, OCBC, an NPL office tenant at AIRSIDE, participated in the Pulse Up Physical Wellness Programme. The programme combined one-to-one physiotherapy consultations with targeted mobility sessions delivered by Asphodel House, another NPL tenant offering fitness and wellness programmes, cultivating awareness of physical wellbeing, positive attitudes, and behavioural change towards active lifestyles. By bringing movement optimisation in the workplace, the initiative supported the wellbeing and long-term physical resilience of OCBC employees.

As the programme wrapped up, 85% of participants reported that they will implement advice from the health check, and 69% are more willing to attend more fitness or sports classes.





[16] Calculated using financial proxies to monetise social impact, based on internationally recognised methodologies for impact measurement, and independently verified by The Chinese University of Hong Kong in 2023





Governance



Corporate Governance and Ethics

Our Management Approach

Effective governance underpins the Group's identification, management, and response to risks and opportunities in a complex and evolving operating environment. Through clear frameworks, robust policies, and strong oversight, we enforce a strategy that aims to uphold the highest ethical standards, meets regulatory requirements, and safeguards the interests of our stakeholders.

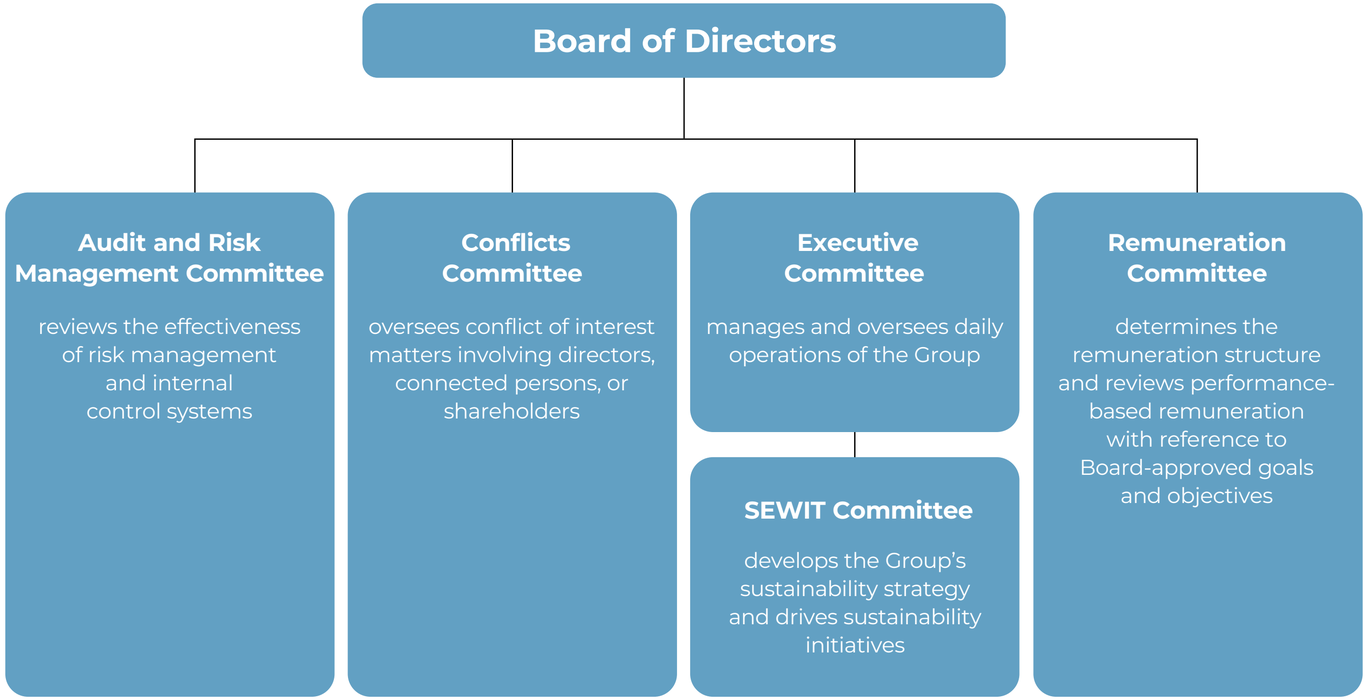
We promote a culture of accountability and transparency, empowering colleagues and partners to speak up and act with integrity. By proactively managing our economic, environmental, and social impacts, we strengthen trust and respect with the communities we serve.

Governance Structure

Nan Fung Group Holdings Limited's ("NFGHL") Board of Directors ("the Board") sets the strategic direction of the business and oversees its long-term development, ensuring that management decisions align with the Group's objectives. Led by the Chairman, the Board brings together the Chief Executive Officer and senior leadership, comprising 12 directors: eight Executive Directors, one Non-Executive Director, and three Independent Non-Executive Directors. This composition supports balanced judgement and a breadth of perspectives in Board deliberations.

The Board of Directors is appointed in accordance with the Articles of Association through shareholder resolutions, with a focus on achieving a balanced mix of ages, genders, professional expertise, and experience to foster diversity of thought. The Board provides oversight of major decisions and the management of the Group's environmental, economic, and social impacts.

The Board is supported by an Executive Committee and seven sub-committees, which oversee key business matters and manage day-to-day operations. Members of Board-level committees and sub-committees are nominated by the relevant committees, sub-committees, or individual directors, with all appointments subject to Board approval.



Sustainability Governance

The SEWIT Committee oversees sustainability matters across the Group. Chaired by the Group Managing Director, the SEWIT Committee comprises senior management and Board representatives. It reports to the Executive Committee of NFGHL, which, in turn, provides the Board with annual updates on key sustainability developments and critical concerns. In the reporting year, members discussed advancing the Group's climate adaptation and nature strategies. Please refer to the Environment section for more information.

Through the SEWIT Committee, the Board approves and monitors the implementation of sustainability policies, reviews and endorses the Group's sustainability reporting, and oversees progress against sustainability goals and targets. During the reporting year, four SEWIT Committee meetings were held, with 13 co-opted members from different departments contributing perspectives on specific initiatives. Internal engagement is supported through regular town halls and newsletters, ensuring that sustainability priorities are communicated within the Group.

> All employees and senior management are required to set at least one sustainability-related OKR aligned with the SEWIT Framework. Performance is monitored and assessed biannually.

Policies and Guidelines

The Group has established a comprehensive suite of policies, providing clear guidelines for responsible decision-making, risk management, and compliance. These policies are regularly reviewed and updated in light of the Board's assessment of significant risks and the Group's evolving strategy.

All policies apply across the Group's business activities and stakeholder relationships. These are communicated through internal channels such as the intranet and newsletters, and shared with relevant external stakeholders where appropriate.



The Group's policies and guidelines include:

- AI Usage Policy
- Climate Change Policy
- Competition Law Compliance Policy
- Employee Code of Conduct
- End User Cybersecurity and Acceptable Use Policy
- Environmental Policy
- Guideline on Handling Potential Conflict of Interests
- Health and Safety Policy
- Human Rights Policy
- Information Security Policy
- Personal Data Privacy Policy
- Policy and Procedures on Anti-Money Laundering and Counter-Terrorist Financing
- Risk Management Policy
- Sustainable Procurement Policy
- Whistleblowing Policy

Risk Management

The Group applies a comprehensive, integrated approach to risk management through both a top-down strategic view and a bottom-up operational process, ensuring risk considerations are embedded in governance, business planning, and operational decision-making.

On behalf of the Board, the Audit and Risk Management Committee oversees the appropriateness and effectiveness of the Group's Enterprise Risk Management ("ERM") framework, providing a structured basis for risk governance across the Group and supporting the achievement of the Group's strategic objectives.

At the operational level, business owners capture risk events, enabling systematic risk assessment, monitoring, reporting, and the implementation of appropriate risk control measures. This process ensures a holistic approach to risk management while strengthening the Group's resilience over the short, medium, and long term.

Risks are managed within a clearly articulated risk appetite set by the Board and an effective risk management framework. Senior management, in line with the Board's overall direction, regularly reviews the Group's principal risks and emerging issues through ongoing risk review processes and cross-functional discussions, assessing their potential impacts on the Group's operations and performance, as well as the adequacy of the corresponding treatment plans.

Sustainable Finance

Sustainable finance is a key enabler of our sustainability strategy, aligning long-term environmental and social objectives with our investment decisions. Through green, social, or sustainability-linked financing, we support projects and operations that advance decarbonisation, improve resource efficiency, and enhance the wellbeing of occupants and surrounding communities while reinforcing Hong Kong's role as a leading centre for sustainable finance.

> As of March 2026, 50% of the Group's bonds and loan facilities were green, social, or sustainability-linked.



Originally established in 2021, our Sustainable Finance Framework has been updated to reflect the evolution of our sustainability strategy and financing priorities and covers a range of eligible green and social project categories, such as green buildings, energy efficiency, renewable energy, employment generation and programmes, and socioeconomic advancement and empowerment. Our Sustainable Finance Framework also obtained a second party opinion from Moody's, confirming its alignment with international principles[17].

In May 2026, the Group successfully issued its inaugural US$500 million 10-year sustainability bond under the updated Sustainable Finance Framework. Details of the issuance and use of proceeds[18] are set out below:

Type of Sustainable Finance	Year of Issue	Principal Amount	Coupon	Maturity Date	Status of Allocation[18] (%)	Unallocated[18] (%)	Category of Allocated Proceeds[18]
Sustainability bond	2026	US$500,000,000	5.75%	May 2036	100	0	• Green buildings • Socioeconomic advancement and empowerment

We also completed a sustainability-linked loan that incorporated a measurable social value key performance indicator, directly linking social impact generated across our Hong Kong portfolio to financing terms and reinforcing our commitment to creating shared value through sustainable placemaking. Please refer to the Social Cohesion section for more information.

[17] Bonds and loans issued under the Sustainable Finance Framework are aligned with the 2025 Green Bond Principles ("GBP"), 2025 Social Bond Principles ("SBP"), 2021 Sustainability Bond Guidelines ("SBG"), 2025 Green Loan Principles ("GLP"), and 2025 Social Loan Principles ("SLP")
[18] As of 30 June 2026

Business Ethics

Our commitment to ethics and integrity is set out in the Employee Code of Conduct (“the Code”) and supporting policies, which apply to all employees. New joiners receive mandatory training on the Code and are required to acknowledge their understanding and adherence to it. In addition, all employees, senior management, and the Board are required to complete an annual declaration confirming compliance with key policies.

Anti-Corruption, Anti-Money Laundering, and Fair Competition

We take a strict, robust stance towards bribery, fraud, and corruption. Expectations for ethical conduct are set out in the Code, supported by the Employee Handbook, Staff Co-Investment Policy, and Guideline on Handling Potential Conflict of Interests, which require employees to avoid and disclose any actual or potential conflicts.

The Group complies with all relevant local, international laws relating to anti-money laundering, counter-terrorism, and proliferation financing. These requirements are supported by policies and procedures that apply to all directors, employees, and suppliers of the Group. Fair competition is promoted through our Competition Law Compliance Policy, which defines prohibited practices, including interactions with competitors, participation in trade associations, and certain contractual arrangements. During the reporting year, there were no breaches of anti-corruption or anti-competitive practices.

Whistleblowing

The Group’s Whistleblowing Policy provides a confidential mechanism for colleagues across the Group to raise concerns relating to fraud, corruption, legal breaches, misconduct, or malpractice, with safeguards against retaliation. All reports are subject to an initial assessment by the Group Internal Audit Department and, where warranted, are escalated for a formal, impartial investigation by a dedicated committee. Reportable matters are communicated to the Board through the Audit and Risk Management Committee to ensure appropriate oversight.

The identity of the whistleblower is kept strictly confidential. In limited circumstances, such as legal proceedings where disclosure is required, the Group takes all reasonable measures to protect the individual from any form of detriment.

Supply Chain Management

We are committed to building a responsible, resilient supply chain with our suppliers, vendors, contractors, and business partners. We recognise that advancing sustainability performance across the supply chain helps manage sustainability-related risks and improve operational efficiency, and that this can only be achieved through partnerships and collaborative efforts.

Nan Fung Property Management (“NFPM”), our property management arm, has established a Sustainable Procurement Policy and Supplier Code of Conduct to set clear expectations and guiding principles for suppliers and contractors to uphold across key areas, including legal and regulatory compliance, business ethics, anti-bribery and anti-corruption, labour and human rights, occupational health and safety, and environmental management.

In the reporting year, NFPM delivered a “Sustainable Procurement 101” training to build capacity among employees. This was followed by the implementation of a sustainability assessment form for large sum contracts and the expansion of green procurement items list to create a more consistent process for employees to identify and evaluate sustainability considerations in purchasing decisions.

In the reporting year, the Group procured work from a total of 7,020 suppliers and 2,495 workers who were not employees.



Data Privacy and Security

Our Management Approach

In today's digital era, we generate, store, and share more information online than before, with potential risks of unauthorised access, misuse, or cyberattacks. As data privacy and security is among our top sustainability issues, the Group prioritises cybersecurity to strengthen operational resilience, support responsible business practices, and protect stakeholder privacy by safeguarding personal and customer data in our daily Information Technology ("IT") operations.

Data Security and Protection

The Information Security Policy and End User Cybersecurity and Acceptable Use Policy set out clear requirements for protecting information assets in line with relevant regulations, and all new employees are required to acknowledge and comply with them. All employees are also required to complete regular cybersecurity awareness training and phishing tests to reinforce safe digital practices and stay abreast of emerging cyber risks and threats, such as phishing, malware, weak or stolen passwords, data breaches, and the use of unsecured Wi-Fi. Our IT Department reviews the results of these initiatives to identify improvement areas and works with relevant teams to enhance overall security awareness.

We also conduct cybersecurity assessments with external consultants on selected applications and rigorously test all new public-facing applications before launch. Security controls include encryption of sensitive data, restricted network access, and regular security patching.

Our Personal Information Collection Statements and Terms and Conditions for mobile apps and websites are easily accessible to users. We engage a Security Operations Centre to monitor our networks, servers, and cloud services around the clock, looking for early warning signs of hacking activity so we can prevent problems, respond rapidly, and keep our data, operations, and customers safe.

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

Artificial Intelligence Data Management

In the reporting year, the Group formalised an AI Usage Policy that sets out principles for transparent, ethical AI deployment across our daily operations, complementing existing policies on information security, cybersecurity, and data privacy.

The policy restricts the use of unapproved AI platforms, prohibits uploading personal or confidential information without appropriate safeguards, and requires employees to consider data sensitivity, retention, and access rights before deploying AI solutions. Our IT team monitors adherence to the policy and refines controls to ensure that AI innovation remains consistent with the Group's commitment to privacy, security, and stakeholder trust. To reinforce these requirements, we rolled out an AI training course during the reporting year to help colleagues understand what constitutes sensitive information and how to use AI securely in day-to-day work, including avoiding the input of personal identifiers, credentials, or commercially sensitive documents into AI solutions.







Social Cohesion



Highlights

Social Impact Advocacy

- Became a founding member of the Global Social Value Taskforce
- Completed a sustainability-linked loan that incorporated social value

Tenant Engagement

- 75% of tenants[20] signed up for Net Positive Lease globally[21]
- 54.9% of tenants[20] signed up for Net Positive Lease in Hong Kong[22]

Talent and Organisational Development

An average of 25 training hours per employee was provided

Social Value[19]

- A total social value of HK$55.7 million was generated or facilitated

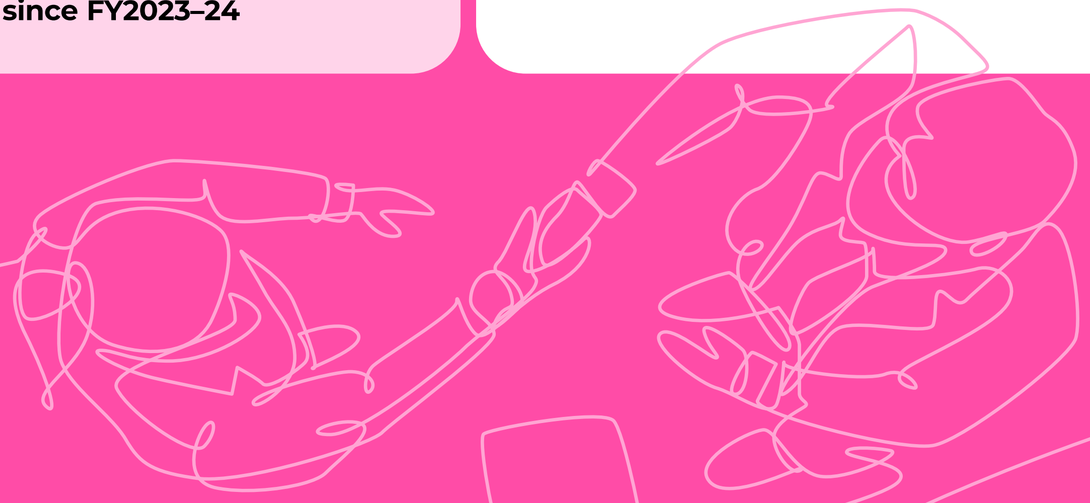
  HK$26.3 million in Hong Kong
  HK$29.4 million in other key operating markets
- A cumulative social value of HK$142.1 million was generated or facilitated since FY2023–24

Customer Engagement

- A satisfaction rate of over 91% was recorded in our annual customer satisfaction survey
- 88% of rated properties were classified as doing well or unbelievably awesome in our mystery shopper assessments

Employee Engagement

- 94% of responded employees indicated that they believe in the Group's values
- 92% of responded employees expressed pride in our efforts to make a positive impact in the world



[19] Calculated using financial proxies to monetise social impact, based on internationally recognised methodologies for impact measurement, and independently verified by The Chinese University of Hong Kong in 2023
[20] Measured by occupied lettable floor area
[21] Covers major properties in Hong Kong, the Chinese Mainland, UK, and US
[22] Covers major properties in Hong Kong including AIRSIDE, The Mills, TKO Plaza, Nan Fung Tower, Nan Fung Place, and 33 Des Voeux Road West

Community, Tenant, and Customer Engagement

Our Management Approach

When communities thrive, we thrive alongside them. Recognising that our long-term success is closely intertwined with the health and vitality of the places and people around us, our role goes beyond providing quality spaces to fostering connections, opportunities, and a strong sense of belonging.

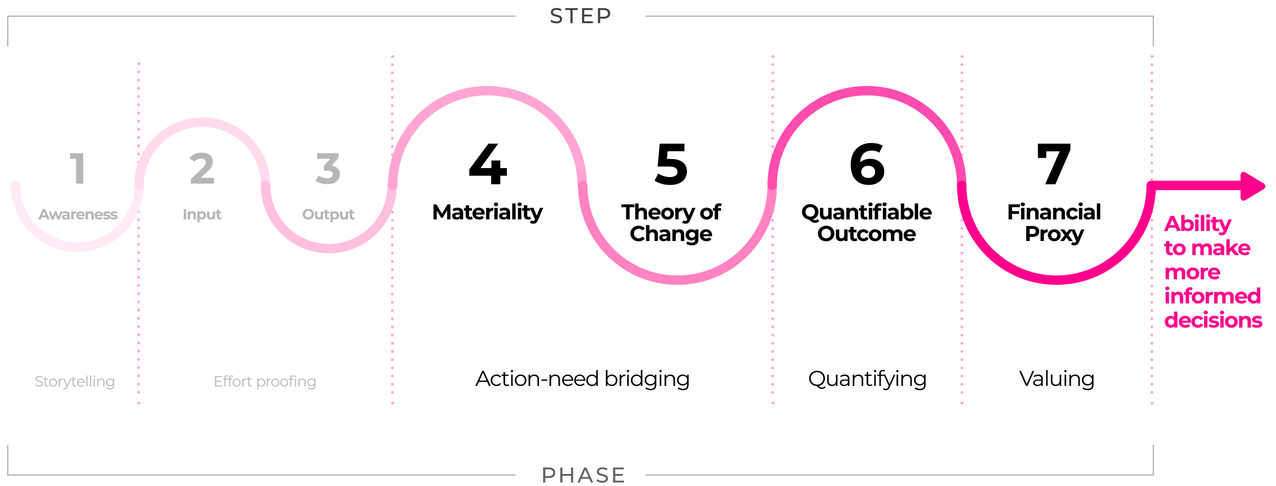
The Group takes a place-based approach to community investment, working with NGOs and local partners to understand evolving social needs, co-design programmes, and strengthen social cohesion in and around our developments. We support initiatives that address local priorities, such as youth development, elderly support, and cultural or neighbourhood-based activities that help build meaningful social ties. At the same time, we actively engage our tenants and customers to embrace sustainability in their workplaces, homes, and everyday experiences.

By weaving stakeholder voices into our operations and decision-making, we build a culture of trust and respect. We are committed to continuously refining our strategies and programmes to ensure our developments respond meaningfully to the needs of the people who live, work, and spend time in our communities.

Our Social Impact Strategy

"Seven Steps to SEWITise"[23] guides how we define, measure, and manage the social value generated or facilitated by our community programmes and placemaking initiatives. From building awareness and tracking inputs and outputs, to assessing materiality and theory of change, and quantifying outcomes using financial proxies, this framework enables us to understand how our programmes respond to local needs, generate lasting outcomes, and create social value aligned with our business strategy.

We follow the steps below to define, measure, and manage our impact:



▲ Seven Steps to SEWITise

[23] Referenced from widely recognised international impact measurement methodologies and was independently verified by The Chinese University of Hong Kong in 2023

We begin with local materiality assessments to identify priority social needs in our communities, which inform the design of our social initiatives. In the reporting year, priority needs included employment and empowerment services for in-need groups, improved access to local cultural initiatives, and the promotion of sustainable production and consumption. Building on this, we define and assess the outcomes most significant to our communities via surveys, participation data, and qualitative feedback to enhance and shape future initiatives.

The final stages of our framework enable us to quantify and monetise impact systemically. We translate priority outcomes into measurable indicators and apply financial proxies, allowing us to understand where our investments are creating the greatest social value to optimise resources, build trust, and foster connection across our communities.

In the reporting year, the Group generated or facilitated HK$55,780,367 worth of social value, of which HK$26,367,624 was attributed to Hong Kong and HK$29,412,743 to other key operating markets. In Hong Kong, initiatives that promote local culture and product promotion, mental wellbeing, and sustainable production and consumption drove the greatest share of social value, contributing over 80% of the social value generated or facilitated by the Group in Hong Kong during the reporting year.

Since FY2023–24, the Group has generated or facilitated a cumulative social value of HK$142,137,960, achieving our 2030 target ahead of schedule. Of this total, HK$73,022,992[24,*] was generated or facilitated in Hong Kong.

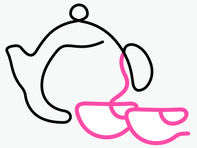
> Our efforts extend beyond our local communities. In the reporting year, we became a founding member of the Global Social Value Taskforce (“the Taskforce”) formed by Social Value Portal.

Bringing together 13 changemakers from around the world, the Taskforce serves as a vital platform for idea exchange, cross-sector collaboration, and advancing how social value is understood and advocated.

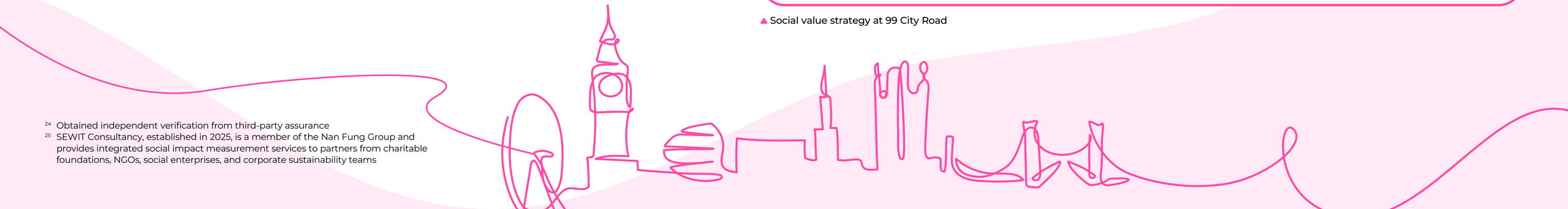
In addition, the SEWIT Consultancy[25] has partnered with institutes and corporations to deliver training on embedding a social value mindset into daily operations, strengthening impact measurement and reporting for social programmes and providing strategic advice on organisation-level social value.

Our Social Value Approach at 99 City Road

Our flagship Central London project, 99 City Road, focuses on four pillars around inclusive community development to build social value. Guided by the principles of “localise” and “maximise”, we work closely with stakeholders in prioritising local sourcing where practicable, addressing the root causes of local challenges, and maximising the impact of our initiatives through thoughtful engagement and continuous innovation.

Pillars	Supporting local business growth and prosperity	Enhancing skills and employment opportunities	Promoting local culture and identity	Championing wellbeing and belonging
				
Social outcomes	Fostering a more connected, resilient local business community by encouraging innovation through empowering entrepreneurs and strengthening local supply chains	Cultivating a diverse knowledge-based talent pipeline by investing in educational development, breaking down barriers to employment, and connecting people to meaningful job opportunities	Preserving local history, art, and culture by creating accessible engagement opportunities that connect people to creative expression	Instilling a sense of belonging in a stigma-free community by prioritising mental health and nurturing supportive social connections

▲ Social value strategy at 99 City Road



[24] Obtained independent verification from third-party assurance
[25] SEWIT Consultancy, established in 2025, is a member of the Nan Fung Group and provides integrated social impact measurement services to partners from charitable foundations, NGOs, social enterprises, and corporate sustainability teams

Our Community Programmes

Inter-School Trash Picking Competition

In the reporting year, the Group launched Hong Kong's first Inter-School Trash Picking Competition in Sham Shui Po, engaging over 200 secondary students across 12 schools in an immersive exploration of urban ecosystem resilience and civic responsibility. The neighbourhood became a living classroom where students competed in teams to optimise waste recovery. Beyond the competition itself, participants developed empathy for frontline cleaning workers, adopted sustainable lifestyle mindsets, and applied strategic thinking and social innovation to solve real-world community challenges.

Designed as a year-long learning journey, the initiative combined classroom-based environmental education, neighbourhood walks, and design-thinking workshops to encourage students to explore ways to enhance the safety, efficiency, and impact of community clean-ups. Introduction to concepts such as the waste hierarchy, circularity, and sustainable consumption, and engagement with businesses, NGOs, green start-ups, and worker organisations helped students see trash-picking as more than just a one-off volunteer activity.

A key highlight was the students' application of design thinking and STEAM skills to create a waste-picking tool, using recycled materials and incorporating features such as LED lighting, ergonomic rotating broom heads, and extendable handles to reduce strain and improve efficiency.

> Along the way, they collectively removed over 108 kg of waste and more than 770 recyclable items from public spaces.

To embody the principles of a circular economy, the event's logistics prioritised zero-waste and internal upcycling. Contestants' number bibs were made from recycled Nan Fung staff uniforms, while event banners were made from repurposed textiles from The Mills Fabrica. Additionally, eco-certified honeycomb boards were used to create exhibition signage. By utilising reusable trash-picking clamps for post-event collection and requiring participants to bring their own water bottles and bags, the Group reduced the initiative's operational footprint.

Feedback from participants indicated strengthened environmental awareness and social responsibility. The initiative brought together Nan Fung, government representatives, NGOs, schools, and community organisations to create a shared platform for youth engagement and community-based learning, demonstrating how education-led initiatives can deliver measurable environmental outcomes and deeper community connection.







CHAT's[26] Accessibility Docent Training Programme

CHAT's Accessibility Docent Training Programme equips Deaf, hard-of-hearing, and hearing participants to co-lead multisensory museum tours in Hong Kong Sign Language and Cantonese. Through a sign-bilingual approach incorporating gesture, movement, and performance, the programme makes textile heritage, including topics such as local craftsmanship and textile embellishment techniques, accessible to diverse audiences. In the reporting year, the programme delivered 112 tours and reached over 800 visitors, achieving an SROI of 1:2.04, meaning HK$2.04 worth of social value was generated for every HK$1 invested. It received the ICOM CECA Best Practice Award in recognition of its thoughtful design and contribution to inclusive museum learning.

Wild Togetherland at GATE33

The GATE33 Gallery at AIRSIDE collaborated with Hong Kong-based non-profit ARTISTS who LOVE ANIMALS & NATURE to present Wild Togetherland, an interactive exhibition that explored the relationship between urban life and wildlife. Through creative, immersive experiences, the initiative encouraged visitors to view the urban environment through the eyes of wildlife — encouraging empathy, respect for other species, and awareness of ecological balance. The programme achieved an SROI of 1:2.25, meaning HK$2.25 worth of social value was generated for every HK$1 invested.



Connecting City, Community, and Culture at The Place, Shanghai

In partnership with Changning District's Citizen Night School, The Place, Shanghai hosted evening courses in dough figurine art, seal carving, and makeup design for nearly 50 office workers and nearby residents. The initiative aligned with public-service objectives, providing accessible space for cultural learning while establishing The Place as a community hub that fosters after-work skills development.

Tenant and Customer Engagement

Engaging tenants and customers is also central to achieving our shared sustainability goals. We collaborate with office, retail, and F&B tenants to support them in embedding responsible practices into their operations through NPL. Globally, 75% of tenants have signed up for NPL, surpassing our 50% target by 2025.

Drawing on the "Seven Steps to SEWITise" framework and the SEWIT-as-a-Service model, we support tenants in better managing their social investment and impact. To date, we have delivered 32 impact advisory and measurement services to 28 stakeholders, including tenants, customers, and NGOs.

We continuously enhance customer satisfaction and improve our products and services by engaging customers through surveys, events, and daily interactions. NFPM conducts an annual customer satisfaction survey to assess service quality across our managed properties and inform our ongoing service enhancements. This year, we recorded a satisfaction rate of over 91%.

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

> In the reporting year, 88% of rated properties were classified as "doing well" or "unbelievably awesome" — a 2% increase from the 2024–25 cycle.

Please refer to the SEWIT in Action: Net Positive Lease section for more information.

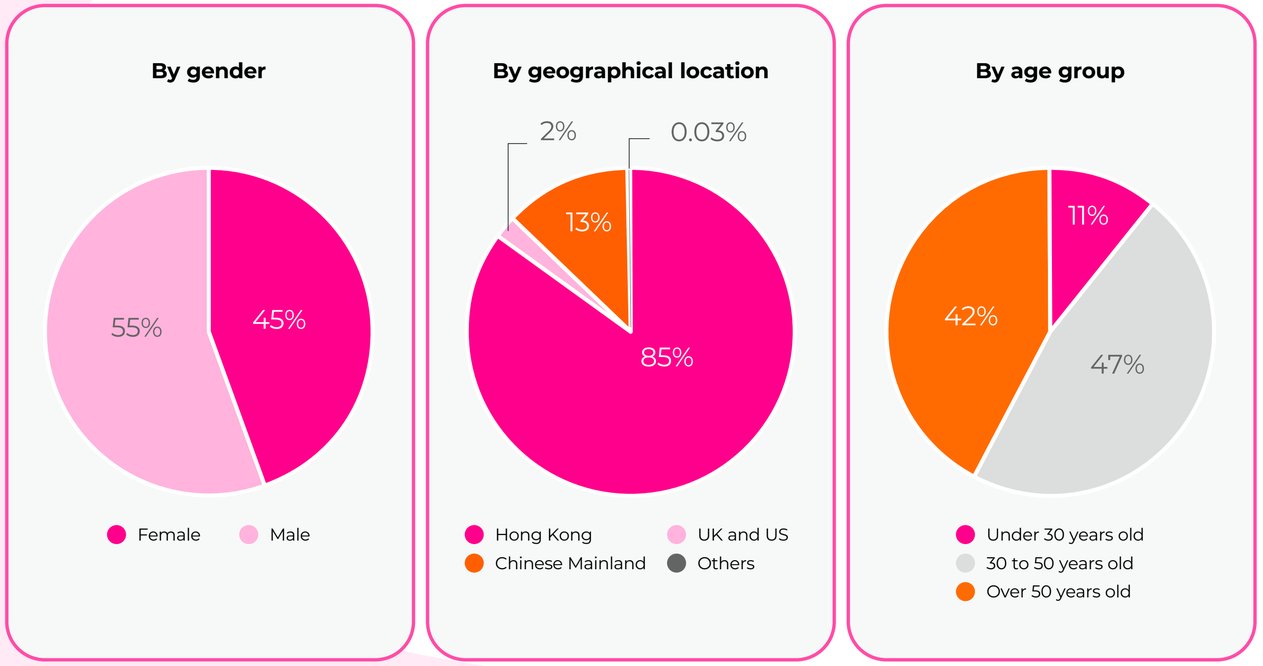
[26] CHAT (Centre for Heritage, Arts and Textile) is a textile art centre in Hong Kong, managed and operated by the MILL6 Foundation, a non-profit arts and cultural organisation in Hong Kong

Talent Development

Our Management Approach

Guided by our commitment to “Do Good and Do Well, with Love”, we believe sustainability starts with a workplace where employees can thrive. We provide our colleagues with an inclusive environment, meaningful professional development opportunities, and a culture that celebrates excellence. By investing in our people, we strengthen capabilities, enhance productivity, and drive progress across the Group.

Our Workforce



▲ Employment profile

Ethical Employment

Fair labour practices safeguard the rights and wellbeing of our workforce. As an equal opportunity employer, we provide all candidates and employees with equal access to employment and development opportunities, and do not tolerate discrimination, harassment, or bias in any form. This includes, but is not limited to, discrimination arising from personal characteristics or circumstances. We regularly review our practices to ensure they remain inclusive, fair, and aligned with evolving regulatory requirements.

We encourage colleagues to speak up without fear of retaliation. They can raise concerns through designated reporting mechanisms, and all cases are handled promptly in accordance with clearly established procedures that emphasise impartial investigation, confidentiality, and, where appropriate, remedial and disciplinary action to uphold our culture of fairness, respect, and accountability. During the reporting year, no cases of discrimination were reported.

Nan Fung Group’s Human Rights Policy affirms our commitment to complying with all relevant regulations and standards. It sets out our zero-tolerance approach to any form of human rights violations, including child and forced labour across all operations and business relationships. Business units are encouraged to adopt practices aligned with the Group, and we expect contractors and suppliers to meet the same standards.

Diversity and Equal Opportunities

In the reporting year, the Group participated in the CareER Disability Inclusion Index (“DII”), leveraging the first and only United Nations-recognised, award-winning framework and methodology that systematically drives workplace disability inclusion within businesses.

By undergoing this comprehensive assessment across nine domains — from organisational policies and structure to recruitment and accessibility — the Group demonstrated strong foundations in its diversity and inclusion commitments, disability inclusion training, and workplace inclusion and accessibility.

Participation in the DII has also enabled us to benchmark ourselves against other employers, validating our approach to disability inclusion against international references aligned with global sustainability reporting standards. Most importantly, it has helped us identify clear, data-driven priorities to further enhance disability inclusion across our operations.

Talent Attraction and Retention

Our employees are recognised and rewarded through fair, competitive remuneration and a comprehensive benefits package. This includes medical and life insurance, retirement pension plans, and discretionary bonuses. To remain responsive to both individual performance and market expectations, we regularly review and refine our compensation framework, ensuring alignment with market benchmarks and the Group's growth ambitions.

Employee Engagement

Open dialogue is central to our culture, and we regularly seek feedback from our colleagues to better understand their needs and enhance the way the Group supports them. Each year, we conduct a Staff Engagement and Cross-Team Collaboration Survey to capture colleagues' views and identify opportunities for improvement. Following the survey, dedicated focus groups are conducted to delve into the data and understand the specific context behind the ratings. Insights from the survey shape targeted actions to strengthen cross-functional collaboration and help foster a workplace where our colleagues feel supported, connected, and empowered.

During the reporting year, we recorded an 86% response rate where:

- 94% of respondents indicated that they believe in the Group's values; and
- 92% of respondents expressed pride in our efforts to make a positive impact in the world.

Talent and Organisational Development

Building an AI-Empowered Workforce

As AI redefines organisational productivity, our talent development philosophy focuses on supporting colleagues in moving rapidly from awareness to active workplace application. To accelerate Group-wide adoption, we established clear AI learning targets for all employees, emphasising continuous, self-directed upskilling. Recognising diverse functional needs and learning paces, we deployed a targeted, multi-layered learning architecture: AI awareness sessions to build fundamental awareness, practical tool training for immediate utility, role-specific use-case sharing, and hands-on project coaching. This structured approach ensures that capability building directly translates into daily operational effectiveness, fostering a secure culture of experimentation, peer-to-peer knowledge sharing, and responsible AI utilisation.



> Supported by NF Talent Academy, our core vehicle for professional growth, our employees averaged 25 training hours in the reporting year, exceeding our 20-hour baseline target and demonstrating our fundamental commitment to capability building.

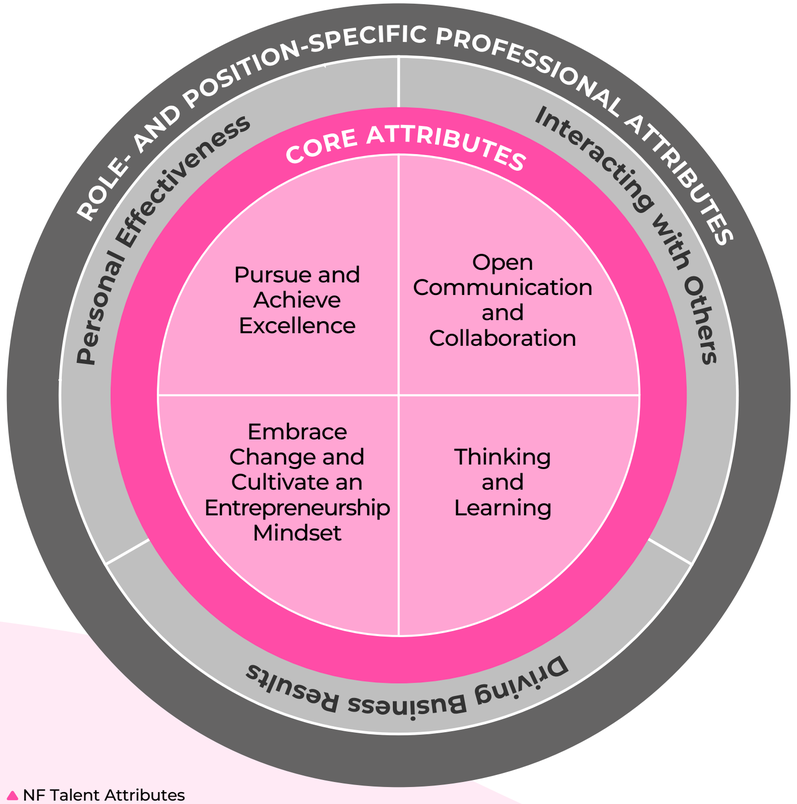
Moving forward, our ultimate benchmark for talent development shifts from raw training volume to business impact, ensuring that every hour invested directly converts into personal effectiveness, operational efficiency, innovation, and long-term strategic value for the Group.

NF Talent Attributes

In 2024, we introduced NF Talent Attributes to guide how we work and grow together, reflecting the behaviours and values we expect in our everyday interactions. The framework brings consistency and openness to how we hire, develop, and recognise colleagues.

It comprises four core attributes applicable to all employees alongside role-specific professional attributes from three categories that articulate different strengths and capabilities required across roles. These attributes are designed to guide performance and development conversations, helping colleagues align their goals with the Group's business priorities, reflect on their achievements, and discuss career aspirations.

Managers are encouraged to use the attributes in ongoing check-ins and coaching conversations, facilitating two-way feedback and supporting colleagues in shaping their development plans.



▲ NF Talent Attributes



Nine-month P.O.E.T. Emerging Talent Development Programme

Designed to nurture emerging talent and in accordance with the NF Talent Attributes, the programme equips colleagues to thrive in their current roles and future career paths. The programme broadens perspectives through a series of management sharing sessions, guided learning, and experiential, hands-on workshops, including a "Breakthrough Camp" focused on peer learning, adaptability, and navigating change. Prioritising holistic wellbeing, it also incorporates CrossFit sessions and nutrition tips to encourage healthy, sustainable habits and lifestyles.

Looking ahead, we will continue exploring the Group's talent needs and design targeted, meaningful development programmes to sustain a strong, agile, and collaborative talent pipeline.



Environment

Highlights

Decarbonisation[27]

- For development projects, 74% of Scope 1 and 2 and 99% of Scope 3 GHG emissions were reduced from a baseline year of 2021
- For buildings in operation, 5% of Scope 1 and 2 and 42% of Scope 3 GHG emissions were reduced from a baseline year of 2022



Renewable Energy

1,272,835 kWh of on-site renewable energy was generated

Nature- and Climate-related Disclosures

- Published the Group's first nature-related disclosures aligned with the Taskforce on Nature-related Financial Disclosures
- Completed the Group's third asset-level climate adaptation and financial assessment covering Yi Fung Place in Shanghai

Waste Management

42% of waste diverted, redirecting 55,485 tonnes of waste from landfill

[27] The Science Based Targets initiative has validated Nan Fung's near- and long-term targets for Hong Kong properties

Climate Resilience

Our Management Approach

Climate change is increasingly reshaping our operating environment, with rising temperatures and more frequent extreme weather events, as well as regulatory developments, presenting material risks and opportunities to the Group. Working to decarbonise our value chain and strengthen climate resilience across our operations helps us manage climate-related risks while supporting the transition to a low-carbon future.

Oversight of our climate action initiatives falls under the SEWIT Committee, which guides the Group's sustainability strategy and the development of key environmental, climate-related policies. Divisions across the Group provide support by designing and implementing operating procedures and management systems that support our broader environmental and climate objectives.

In 2023, we introduced our Environmental Policy to strengthen the management of environmental impacts across our operations. The policy provides a framework for identifying key environmental impacts, outlining steps for achieving compliance with applicable environmental legislation, and setting targets for greenhouse gas ("GHG") emissions, energy use, water consumption, and waste management. It also sets out guidance for monitoring these targets, promotes the use of environmentally responsible materials, and outlines expectations for accountability across the Group, while enhancing environmental awareness.

In addition, we have enacted a Climate Change Policy to guide our approach to climate change mitigation, adaptation, and resilience. Our initiatives include the adoption of renewable energy across our properties as well as the assessment and financial quantification of climate-related physical and transition risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures[28] ("TCFD"). We also integrate climate resilience strategies into our operations by designing and managing our developments to withstand extreme weather events.

For our managed properties and construction sites, the Group's Environmental Management System ("EMS") provides a structured framework for identifying and managing environmental impacts, implementing controls, and monitoring performance in line with ISO 14001:2015. Our EMS supports compliance with relevant regulations and internal policies while enhancing resource efficiency and mitigating environmental risks across our operations. In our construction division, this is complemented by our certification to the ISO 50001 Energy Management System Standard.



[28] In 2023, the International Sustainability Standards Board ("ISSB") released the International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures. IFRS S2 has subsumed the TCFD recommendations; the Group is evaluating future alignment with IFRS S2.

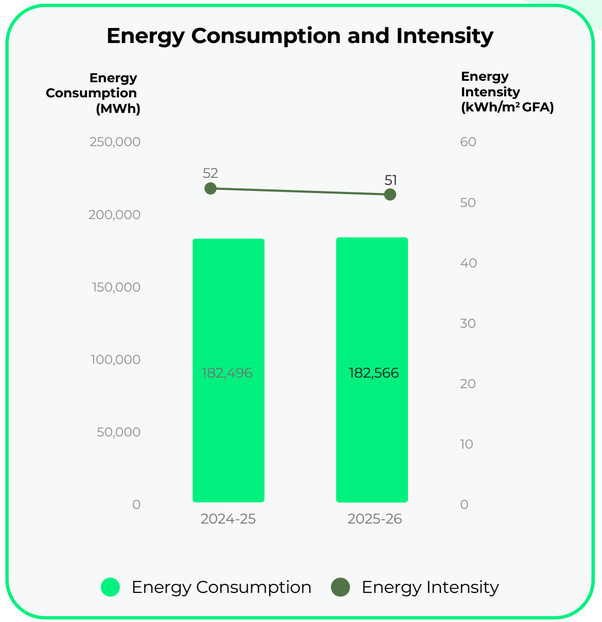
Energy Consumption and Greenhouse Gas Emissions

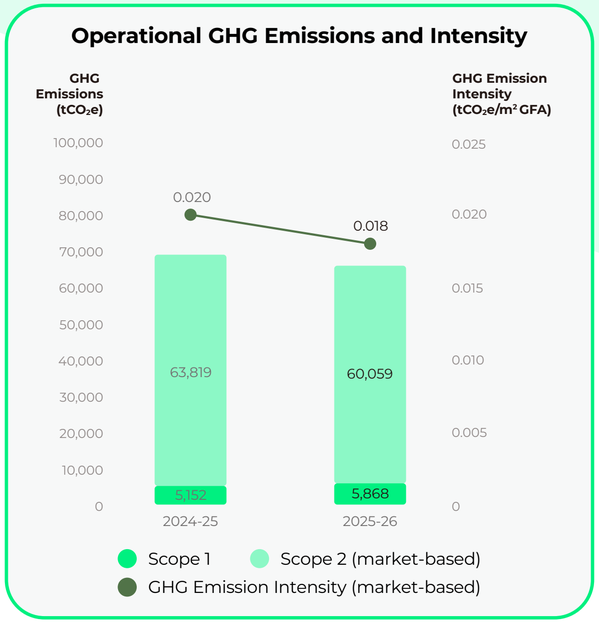
Effective management of energy consumption and GHG emissions is essential to reducing our environmental impact. Our approach focuses on process enhancements, system optimisation, equipment upgrades, and data-driven building management to lower energy-related emissions and improve overall building performance across our operations.

Key energy-saving initiatives include the wider deployment of smart metering and digital management platforms to strengthen real-time monitoring and optimisation of building performance, alongside upgrades to LED lighting, smart controls, and daylight sensors, as well as retro-commissioning of existing systems.

To identify further improvement opportunities, we conduct regular energy audits at our Hong Kong properties. By the end of the reporting year, more than 90% of eligible Hong Kong properties[29] had completed the second cycle of both mandatory and voluntary energy audits. Building on this progress, we will continue the next round of voluntary energy audits to capture additional energy-saving opportunities and support continuous improvement.







▲ Energy consumption and greenhouse gas emissions profile

In the same period, energy consumption and Scope 1 GHG emissions increased year-on-year due to higher diesel consumption from intensified construction activities and the expansion of the reporting boundary to include new development projects. Scope 2 emissions and electricity consumption recorded a year-on-year decrease, driven by a range of efficiency initiatives across our properties, including operational schedule optimisation, lighting upgrades, and HVAC improvements.

Renewable Energy

Expanding the adoption of renewable energy is integral to reducing reliance on fossil-fuel-based electricity and lowering our GHG emissions. To advance this commitment, we continue to evaluate and pursue opportunities to increase the share of renewable energy in our energy mix, including installing on-site photovoltaic systems and procuring renewable energy certificates ("RECs"), where appropriate.

During the reporting year, 1,272,835 kWh of renewable energy was generated on-site across properties under the Group's operational control. In the same period, renewable energy generation across our Hong Kong property portfolio increased, as a result of more favourable sunlight conditions relative to the previous reporting year. Since FY2023–24, we have generated 3,098,334 kWh of on-site renewable energy[30, 31,*].

[29] Covers 73 properties
[30] Covers the Group's properties with operational control
[31] Obtained independent verification from third-party assurance

Decarbonisation

Our decarbonisation pathway reflects the Group's commitment to supporting the transition to a low-carbon future. We have pledged to achieve net-zero emissions by 2050 and have set both near- and long-term emission reduction targets for Hong Kong properties based on the latest climate science. These targets have been validated by the Science Based Targets initiative, providing a robust foundation for decarbonising our operations and value chain.

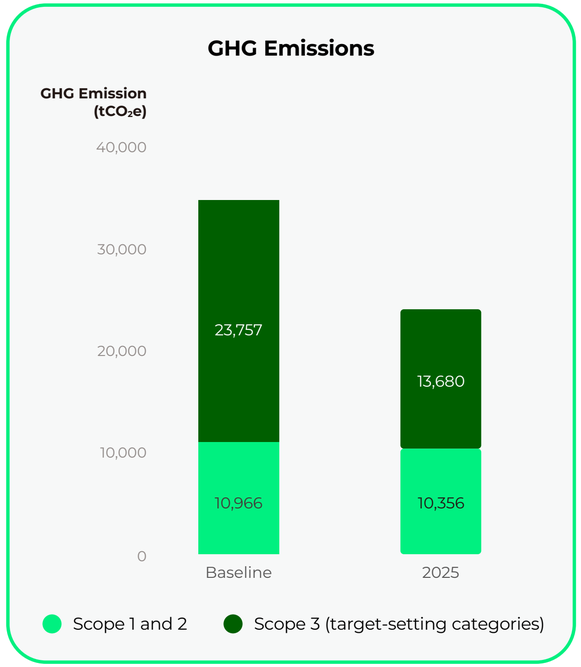
Our Progress towards Science-based Targets

Development Projects

No significant changes in development portfolio emissions were recorded during the year. As our projects progress through different stages of development, embodied carbon emissions will naturally fluctuate. We remain committed to monitoring and managing these emissions throughout the entire lifecycle.

Buildings in Operation

Scope 1 and 2 emissions during the reporting period saw a 5.6% reduction from the 2022 baseline, driven by optimised operating schedules and the wider adoption of energy-efficient technologies across our managed properties. Scope 3 emissions decreased by 42.4% from the same baseline year, as a result of ongoing tenant engagement initiatives through NPL, and enhancements to emissions data-tracking methods that improved accuracy.



▲ Decarbonisation profile for buildings in operation

To meet our GHG emissions reduction targets, we are accelerating our decarbonisation efforts through the following initiatives:

Development Projects

- Adopting new technologies such as Building Information Modelling to digitise building construction and improve resource optimisation, energy efficiency, and waste reduction
- Installing meters to monitor energy usage at the plant and site office and regularly reviewing energy use records to regulate consumption
- Utilising diesel-free energy storage systems in our construction projects, effectively transitioning away from fossil fuels
- Providing training for site teams on energy use management
- Conducting embodied carbon studies and actively sourcing lower-carbon solutions and building materials

Buildings in Operation

- Conducting regular energy assessments for chiller plants and analysing performance data to identify optimisation opportunities
- Upgrading and replacing fixtures and equipment to enhance operational efficiency and reduce energy consumption
- Reviewing and optimising operational schedules, including prioritising daylight utilisation to minimise artificial lighting dependency, implementing MVAC temperature setpoint adjustments, and scheduling lift operations to enhance energy efficiency
- Enhancing energy and carbon monitoring by implementing tenant sub-metering to enable accurate tracking and further optimisation

Leveraging PropTech

We continued to explore and deploy innovative property technologies to enhance building performance and improve operational efficiency. By piloting and scaling suitable solutions across our portfolio, we aim to strengthen the resilience and sustainability of our properties while delivering healthier, more comfortable and efficient built environments for tenants and visitors.

During the reporting year, we adopted the following solutions:

- an AI- and IoT-enabled building management solution to automate equipment performance, supporting smarter facility management and improving energy efficiency;
- an advanced passive radiative cooling coating technology designed to reduce heat absorption on building surfaces and lower cooling demand; and
- an indoor air purification technology designed to remove airborne impurities while improving the operating efficiency of air distribution systems.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate-related Financial Disclosures

Recognising the long-term impact of climate change on business continuity, managing climate-related risks and opportunities remains a top priority for the Group. In accordance with our Climate Change Policy, we are committed to integrating climate mitigation and adaptation strategies and considerations into our operations and services by adopting and even going beyond industry best practices. Since 2022, the TCFD framework has guided our evaluation of the potential financial impacts of climate change on our operations and supported more transparent reporting of our progress.

Governance

The Board provides oversight of the development and enhancement of our Group-wide sustainability strategy, delegating responsibility for climate-related and other strategic sustainability initiatives to the SEWIT Committee, chaired by the Group Managing Director. The SEWIT Committee, which reports to the Board on progress and key developments at least once a year, has the following responsibilities:

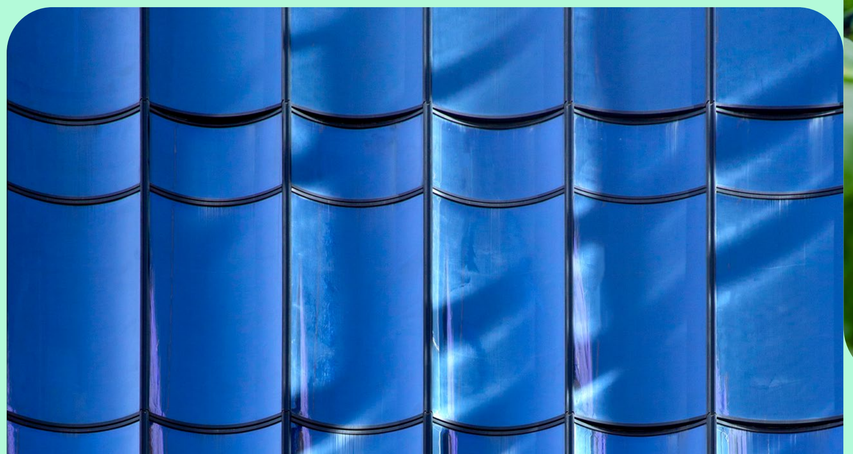
- monitoring and reviewing existing and emerging climate-related risks and opportunities, and overseeing the Group's risk management framework and processes;
- formulating strategies to address climate-related risks and opportunities;
- evaluating energy and GHG emission targets; and
- monitoring compliance with our Environmental Policy and Climate Change Policy, including the effective communication of policy objectives and the signed acknowledgement of the policy by all department heads every financial year.

Strategy

We have identified and assessed key climate-related risks and opportunities through a four-step approach:

- identified climate-related risks and opportunities relevant to the Group's business and geographic locations, with reference to industry benchmarking and peer analysis;
- conducted scenario analysis to assess the potential impacts of identified climate-related risks and opportunities, including quantification of financial implications based on specific parameters;
- reviewed and refined the initial list of risks and opportunities with our senior management; and
- submitted the list of risks and opportunities to the SEWIT Committee for approval.

At the asset level, we have conducted climate adaptation and financial assessments of our major assets to evaluate their exposure to physical and transition risks and opportunities under different climate scenarios. This assessment extended beyond portfolio-level analysis by incorporating site inspections aligned with recognised climate models and global standards. The insights obtained inform the Group's strategy and decision-making, tailoring climate resilience measures to the unique risk profile of each asset.





Risk Management

Climate-related risks are embedded within the Group's ERM framework under the Natural Disaster and Pandemic Risks category, integrating climate considerations into long-term planning and strategic decision-making. As part of this integration, we regularly assess climate-related risk exposures, review key mitigation actions, and evaluate residual risk scores to strengthen organisational resilience and stakeholder confidence.

To enhance our understanding of the financial, reputational implications of acute climate events, we have established a climate incident reporting mechanism for extreme tropical cyclones and rainstorms, which includes tracking damage and claims. Insights gathered from this process inform the development and improvement of our remedial strategies and contingency plans.

The climate-related risks and opportunities identified, together with their potential impacts, are managed by the Group through various approaches outlined below.

Physical Risks

We continue to assess the resilience of our buildings and, where appropriate, implement measures to strengthen their capacity to withstand extreme climate events. During the reporting year, we completed our third climate adaptation and financial assessment at Yi Fung Place, Shanghai. Please refer to the Climate Adaptation and Financial Assessment at Yi Fung Place section for more information.

In addition, following the climate adaptation and financial assessment conducted at AIRSIDE in 2023, we have implemented a series of measures to enhance its climate resilience further. Measures include installing a CCTV-based river water-level monitoring system with water-level sensors and overflow alarms, as well as flood gates and submersible pump sets at key locations to drain water during rainstorm warnings automatically.

Transition Risks

To effectively respond to transition risks — including evolving regulation, rising energy costs and shifting market preferences — we actively explore new ways to procure renewable energy, generate it at our properties through the installation of solar panels and continue developing environmental certification-ready buildings. In the reporting year, our efforts included purchasing RECs in amounts equivalent to 100% of the GHG emissions associated with energy consumed on-site at our properties in the UK.



Metrics and Targets

Category	Metric	Unit	2025–26	2024–25
GHG emissions[32] (development projects)	Scope 1 emissions	tonne CO_2e	0	0
	Scope 2 emissions	tonne CO_2e	154	287
	Scope 3 emissions	tonne CO_2e	6,377	3,691
GHG emissions[32] (buildings in operation)	Scope 1 emissions	tonne CO_2e	6	268
	Scope 2 emissions	tonne CO_2e	10,350	11,485
	Scope 3 emissions	tonne CO_2e	19,341	20,587
Energy management	Total energy consumption	kWh	182,565,611	182,495,758
	Energy intensity	kWh/m^2 GFA	51	52
Climate-related opportunities	Certified green buildings	%	95	94
	Proportion of bond and loan facilities from sustainable financing	%	50	45
	Renewable energy generated from on-site solar panels	kWh	1,272,835	965,327
	Renewable energy sold through feed-in tariff scheme	kWh	975,208	963,847

[32] Data reported on a calendar-year basis for the period of 1 January to 31 December

Climate Adaptation and Financial Assessment at Yi Fung Place

Assessing and strengthening the resilience of our properties is a core part of how the Group addresses and manages climate-related risks. In the reporting year, we have conducted the Group's third climate adaptation and financial assessment at Yi Fung Place, one of our key properties in the Chinese Mainland, following earlier assessments undertaken for AIRSIDE in Hong Kong and 99 City Road in London.

Located in the international business district of Changning, Shanghai, Yi Fung Place is an urban complex that includes a super-grade A office, contemporary art and exhibition space, and 6,000 square metres of outdoor public open space.

Through this study, we aimed to identify potential climate hazards and exposures alongside measures to enhance our response preparedness and resilience for managing them.

The assessment referenced the framework from the Sixth Assessment Report by the Intergovernmental Panel on Climate Change, covering hazards, exposures, vulnerabilities, and responses, as well as two climate modelling scenarios that cover various time points, including the fossil fuel-driven development scenario (SSP5-RCP8.5) and middle-of-the-road scenario (SSP2-RCP4.5), to project future climatic events Yi Fung Place may experience.

The assessment used a three-step approach:

1. assessed and evaluated potential climate hazards that may affect the asset;
2. reviewed design and evaluated vulnerability by conducting a site-based review of current provisions at sensitive locations and assessing their adequacy under projected conditions; and
3. identified resilience enhancement measures to reduce risks from the climate hazard exposures.



With reference to the framework published by the United Nations Office for Disaster Risk Reduction in support of the Sendai Framework for Disaster Risk Reduction, five climate hazards were considered in the study.

Climate Hazards		Potential Impacts	Implemented Measures
Flooding	Coastal flooding	Urban flooding caused by backflow from the sea and typhoon-related storm surge	• Flood barriers at car park entrances • Kerb at entrances, drainage channels, and sump pumps to protect plant rooms • Portable sandbags and standard operating procedures in place to protect main entrances and shop fronts • Roof drainage channels to drain accumulated water
	Riverine flooding	Urban flooding caused by river overflow	
	Urban waterlogging	Damage to building facilities caused by extreme rainfall exceeding the capacity of drainage system	
Extreme heat		• Increased energy consumption • Reduced indoor air quality and thermal comfort • Damage to landscaping and strain on building materials • Fire hazards • Operational disruption • Increase in number of heat stroke incidents	• Rooftop greenery to reduce indoor cooling load and peak indoor temperature • Chill-out open area with greenery to improve outdoor thermal comfort • Buffer for cooling system under current operating conditions • Regular training and continuous enhancement of standard operating procedures to manage heat-related incidents
Typhoon-induced extreme wind and wind-related issues		Damage to building structures caused by extreme wind or windborne debris	• Potential on-site debris sources identified and minimised through regular maintenance practices • Mounting racks and clamps to protect photovoltaic arrays

We have identified a list of short- to medium-term measures to further enhance climate resilience at Yi Fung Place. These include:

- upgrading demountable flood protection measures and surface channels to increase roof drainage capacity and enhance resilience;
- conducting regular training for frontline staff and providing necessary resources to handle and treat heat-related incidents; and
- providing outdoor shading to enhance thermal comfort.

Climate Value-at-Risk

As part of the Group's ongoing efforts to strengthen climate resilience, a Climate Value-at-Risk ("CVaR") assessment was conducted for Yi Fung Place to evaluate how climate-related hazards could affect the asset's value and operations over the long term.

The assessment considered a range of physical climate risks under different scenarios, including flooding, extreme heat, and typhoon-induced wind impacts, together with the potential implications on operations, building performance, and asset condition. The findings were benchmarked against the United Nations Environment Programme's study on climate risk assessment in the real estate sector to assess Yi Fung Place's relative exposure and adaptive capacity to identified climate hazards.

The results identified key exposures related to flood risk, increased cooling demand, reduced thermal comfort, operational disruption, and potential damage to building elements and outdoor spaces. These findings highlight the importance of continued resilience enhancement at Yi Fung Place, including implementation of targeted measures to strengthen flood protection, support operational preparedness, and improve user comfort under future climate conditions.



Circularity

Our Management Approach

We recognise the interconnectedness between the built and natural environments. Our approach to resource management focuses on advancing circular economy principles to reduce waste, improve resource efficiency, and support the sustainable use of materials across our operations. In parallel, we strengthen water stewardship and incorporate biodiversity and nature-related considerations into the management and enhancement of our assets.

Our Environmental Policy provides a framework for managing these priorities across the Group. It guides more responsible management of materials and waste, supports water efficiency and quality through data-driven measures, and is an important part of our broader approach to biodiversity.

The SEWIT Committee oversees the Group's resource management strategy, including waste and water management, as well as related priorities. We actively engage stakeholders in initiatives promoting resource and material reduction, as well as recycling and upcycling. We also encourage them to adopt water-conscious behaviour and practices in support of our environmental goals.

Waste Management

Waste management remains a key environmental priority for the Group, particularly in Hong Kong, where limited landfill capacity and evolving waste reduction requirements reinforce the importance of effective management. We are committed to reducing waste through our operations and diverting waste from landfill. To support this, we adopt a tailored, data-driven approach for our properties, recognising differences in operational characteristics, waste profiles, and local regulatory requirements.

In Hong Kong, NFPM has established a target to divert at least 30% of its municipal solid waste from the landfills by 2030. To advance this goal, we continue to implement a variety of waste management initiatives, including the provision of recycling facilities capable of handling more than 11 waste streams, supported by IoT-enabled smart weighing scales and data analytics to strengthen waste monitoring, collection, and performance tracking in some of our managed properties. Our construction division also maintains a waste management plan to guide the handling and disposal of construction waste.

In London, we implemented a digital solution to measure waste volumes by tenant and stream, enabling more informed decision-making, stronger stakeholder engagement, and improved recycling performance.

Waste Generation and Diversion

133,581 tonnes
of waste generated

0.037 tonnes/m² GFA
of waste intensity recorded

42%
of waste diverted, redirecting 55,485 tonnes of waste from landfill

▲ Waste management profile







AI-powered Waste Analysis at AIRSIDE Headquarters

At our AIRSIDE Headquarters, we piloted AI-powered waste analysis to better understand disposal patterns, identify missed recycling opportunities, and encourage behavioural change in the workplace. Using smart sensors, image recognition, and bin-weighing data, the pilot assessed waste streams and generated actionable insights in areas where recyclable materials were being disposed of as general waste. Based on these findings, we enhanced bin signage and user guidance and installed additional recycling bins to facilitate proper sorting by making it more visible and intuitive for colleagues. The findings also informed target-setting and the potential scaling of similar initiatives to support tenants at our properties.

Unlocking Waste Diversion Opportunities at Kwai Chung Plaza

At Kwai Chung Plaza, one of our managed properties in Hong Kong, we piloted a takeaway container recycling campaign. Located among the plaza's small food outlets, the recycling station enabled customers to rinse used takeaway containers before disposal, helping reduce contamination and enhance recycling effectiveness. By the end of the 14-day trial, the campaign diverted more than 12,000 paper and plastic containers as well as over 300 kg of waste collected from over 10,000 visitors.

Closed-loop Food Recycling Pilot at 51 Sleeper Street

Recognising the limited access to organic waste diversion pathways in Boston's office sector, Nan Fung International Real Estate ("NFIRE") piloted an IoT-enabled, closed-loop food recycling programme at 51 Sleeper Street. Launched in 2025, smart food recyclers were deployed in three locations, supported by tenant engagement, janitorial training, and targeted user guidance. From July to October 2025, the programme diverted approximately 47 kg of organic food waste from landfill. Following tenant's official adoption of the programme in November 2025, organic waste generation within our tenant space decreased by 42%.





Water Stewardship

Water is a critical natural resource for our operations and the communities we serve. In the face of growing water scarcity exacerbated by climate change, responsible water management is becoming increasingly important. We are committed to responsible water management by enhancing water efficiency across our operations. Aside from operational optimisation measures, we also adopt water-saving technologies such as sensor-operated faucets, water-efficient sanitary fittings as well as rainwater and stormwater collection and reuse systems for irrigation and cleaning purposes.

Across our properties, greywater is reused for irrigation and cleaning where feasible, helping us reduce our freshwater withdrawal. In Shanghai, The Place and Yi Fung Place are equipped with water metering and reclaimed water systems that enable efficient water consumption, monitoring, and wastewater recycling.

In Hong Kong, to support water quality management and the proper maintenance of plumbing systems, NFPM continues to have its managed properties certified under the Quality Water Supply Scheme for Buildings, administered by the Water Supplies Department. By 2030, we aim to have at least 85% of eligible properties in Hong Kong[33] certified to the Fresh Water Certificate under this Scheme, with a target of at least 80% of eligible properties in Hong Kong[34] fitted with water-efficient devices. By the end of the reporting year, 74% of eligible properties had already been certified under the Quality Water Supply Scheme for Fresh Water, and over 97% of eligible properties had been equipped with water-efficient devices.

Water Consumption and Intensity

In the reporting year, the Group's water consumption increased as a result of increased construction activity and the addition of new development projects to the Group's portfolio.

841,393 m^3
of water consumed

0.235 m^3/m^2 GFA
of water intensity recorded

▲ Water management profile

[33] Covers 74 properties
[34] Covers 76 properties

Wastewater Management

To manage wastewater discharge, we adhere to all relevant regulations in jurisdictions where we operate and perform regular testing to ensure our discharge practices meet local standards. Our ongoing efforts to improve wastewater management extend to all our construction sites and managed properties, where wastewater is treated through our own or the local municipal system before discharge. There were no recorded instances of non-compliance in the reporting year.

Wastewater generated by NFIRE's laboratory buildings in Boston is monitored through pH sensors at the point of discharge, with periodic on-site readings conducted by a specialist vendor. Established thresholds and procedures are in place to ensure timely notification and reporting of any exceedances to the Massachusetts Water Resources Authority.



Taskforce on Nature-related Financial Disclosures

Nature-related Financial Disclosures

Healthy ecosystems and biodiversity underpin the environmental and socioeconomic resources on which our communities and businesses depend. However, nature loss and habitat degradation continue to be driven by climate change and human activities, including land-use change, resource extraction, and pollution. These pressures create growing risks for organisations and society, including reduced access to ecosystem services and natural resources. The adoption of the Kunming-Montreal Global Biodiversity Framework at the United Nations Biodiversity Conference ("COP15") marked an important global milestone in establishing commitments to halt and reverse nature loss by 2030. In support of this shared ambition, we are working to implement measures to protect and preserve nature and biodiversity across our operations and development activities.

In 2024, we conducted a Group-wide feasibility study to support the development of a group-level nature strategy, strengthening our understanding of nature-related issues across our business units and supporting the integration of nature-related topics into the Group's sustainability strategy.

In the reporting year, the Group adopted the Locate, Evaluate, Assess, and Prepare ("LEAP") approach recommended by the Taskforce on Nature-related Financial Disclosures ("TNFD") and conducted the Locate and Evaluate phases across our geographic locations and value chain[35]. Through this process, we have begun to identify where assets and activities interface closely with nature, and which nature-related impacts and dependencies are most material to our business.

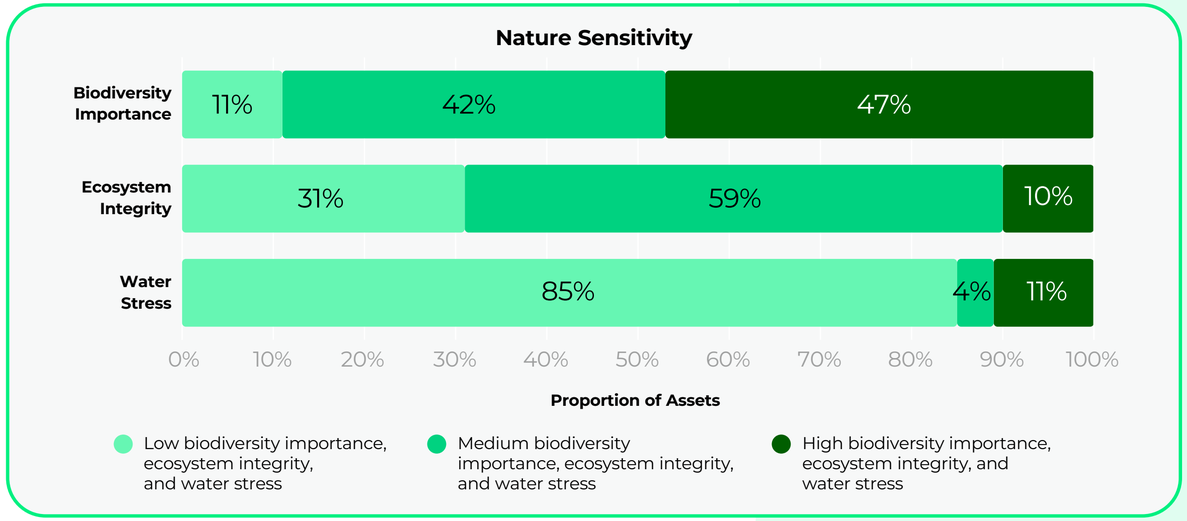
Locate

We conducted asset-level mapping to identify where our real estate operations and construction activities interface with nature. This enabled us to better understand whether our assets are in or near nature-sensitive areas, thereby informing the identification of sites for further nature-related assessment.

Using geospatial screening across our assets in Hong Kong, the Chinese Mainland, the UK, the US, and Singapore, we assessed the nature sensitivity of our assets along three dimensions: biodiversity importance, ecosystem integrity, and water stress.

In line with TNFD recommendations for lower-impact operations such as real estate, a five-kilometre buffer was applied to assets in this initial screening. Within this radius, we assessed the nature sensitivity of each asset across different indicators, such as protected areas, natural lands, and water stress, using international, local databases including the World Resources Institute's Aqueduct Water Risk Atlas, the Ramsar List, and the Hong Kong Biodiversity Information Hub.

Individual results for each indicator were standardised and weighted to derive an overall sensitivity score for each asset, enabling a consistent portfolio-wide view of nature sensitivity as follows.



▲ Portfolio-wide nature sensitivity profile

The overall results indicate that the Group's portfolio is predominantly associated with low to medium nature sensitivity. However, assets located in Hong Kong were assessed as having medium to high biodiversity importance and ecosystem integrity. This reflects their proximity to protected areas and natural landscapes, including country parks, river systems, and areas with relatively high forest cover within Hong Kong's dense urban environment.

[35] Covers all our real estate operations and construction activities

Evaluate

Building on the geospatial screening, we assessed our nature-related impacts and dependencies using the Exploring Natural Capital Opportunities, Risks, and Exposure ("ENCORE") tool. ENCORE provided an initial baseline across a range of impact drivers and ecosystem services, enabling us to identify which nature-related topics are associated with our real estate operations and construction activities.

The findings were presented in two workshops to representatives from business units, who reviewed and refined these preliminary results to more accurately reflect the significance of each impact and dependency.

The following table shows the materiality ratings of the Group's nature-related impacts and dependencies:

	Materiality Ratings	
Nature Impacts	**Real estate operations**	**Construction activities**
Area of land use	Medium	Medium
Area of freshwater use and seabed use	Very low	Medium
Volume of water use	Medium	Medium
Disturbances (e.g., noise, light, odour)	Low	Very high
Emissions of toxic pollutants to water and soil	Low	High
GHG emissions	High	High
Generation and release of solid waste	Medium	High

	Materiality Ratings	
Nature Dependencies	**Real estate operations**	**Construction activities**
Visual amenity services	Very high	–
Water supply	Low	Medium
Global climate regulation	Low	Medium
Rainfall pattern regulation	Low	High
Local climate regulation	Medium	Medium
Soil and sediment retention	Medium	High
Flood/storm mitigation	Medium	Medium

For real estate operations, GHG emissions were identified as the Group's most material impact, reflecting the energy demands associated with day-to-day operations, servicing, and maintenance of buildings across our portfolio. The findings also highlight a strong dependence on visual amenity services, underscoring how greenery and access to natural features enhance the quality of space, improve the user experience, and drive tenant appeal across the Group's properties.

For construction activities, disturbances such as noise, light, and odour, along with GHG emissions, waste generation, and water and soil pollution, were identified as the more prominent impacts. This reflects the inherently intrusive nature of site activities, which typically involve heavy machinery, excavation, material handling, and transport movement. The findings also show that construction activities depend materially on ecosystem functions related to rainfall patterns and soil and sediment retention, which help moderate runoff, maintain slope and ground stability, and support safer and more resilient site conditions.

These findings enabled us to develop more targeted follow-up assessments and management actions across our operations. They also strengthened our approach to nature-related governance and risk management, including the assessment of nature-related risks and opportunities and the development of relevant metrics and targets.





Wellness

Highlights

Occupational Health and Safety

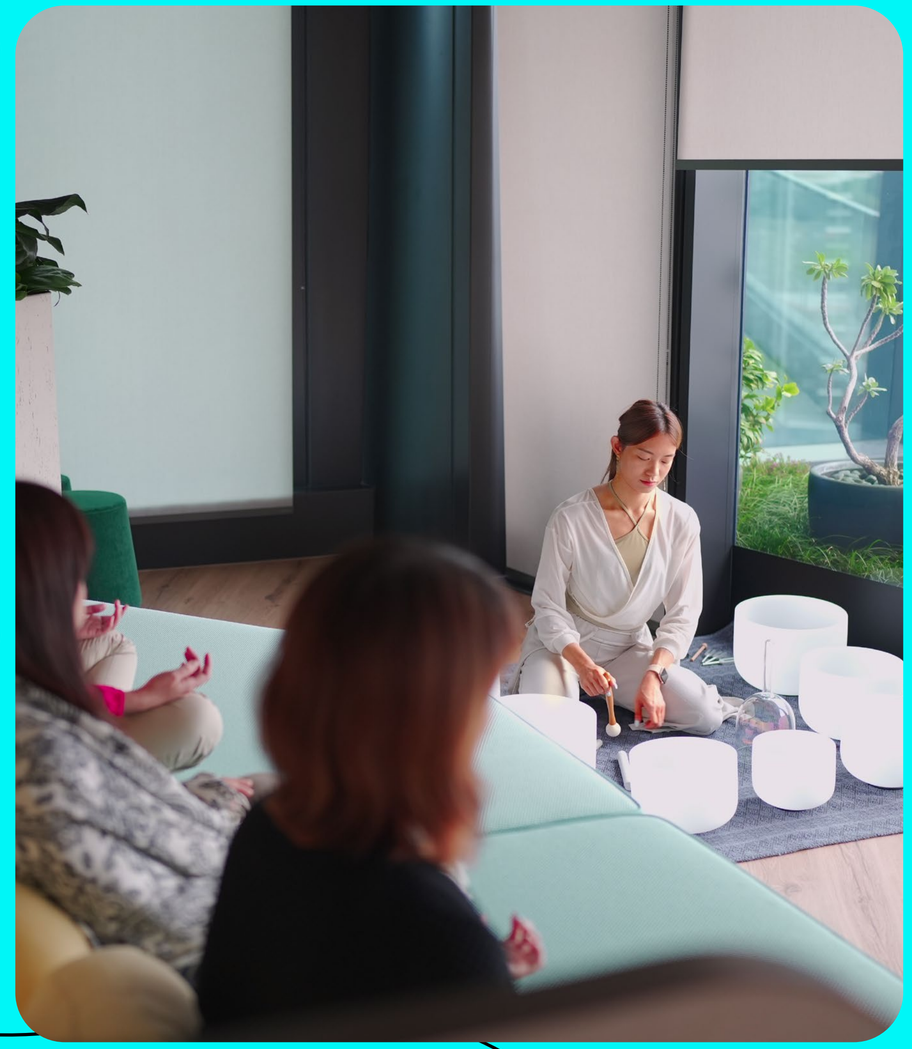
- An LTIR of 0.87 was recorded
- Zero employee fatalities were recorded

Workplace Wellness

- 6% increase in willingness to act in improving physical health
- 5% increase in weekly average exercise time, equivalent to 60 minutes more than the WHO's recommendation
- Improved WHO-5 score[36] with the average score above mental wellbeing passing score

Wellness for Humankind

NFLS supported Vaxcyte in advancing next-generation pneumococcal vaccine innovation, including VAX-31, a candidate designed to provide broader serotype coverage and strengthen protection for populations most vulnerable to invasive pneumococcal disease



[36] The World Health Organization-Five Well-Being Index (WHO-5) is a self-report instrument measuring mental wellbeing

Health, Safety, and Wellbeing

Our Management Approach

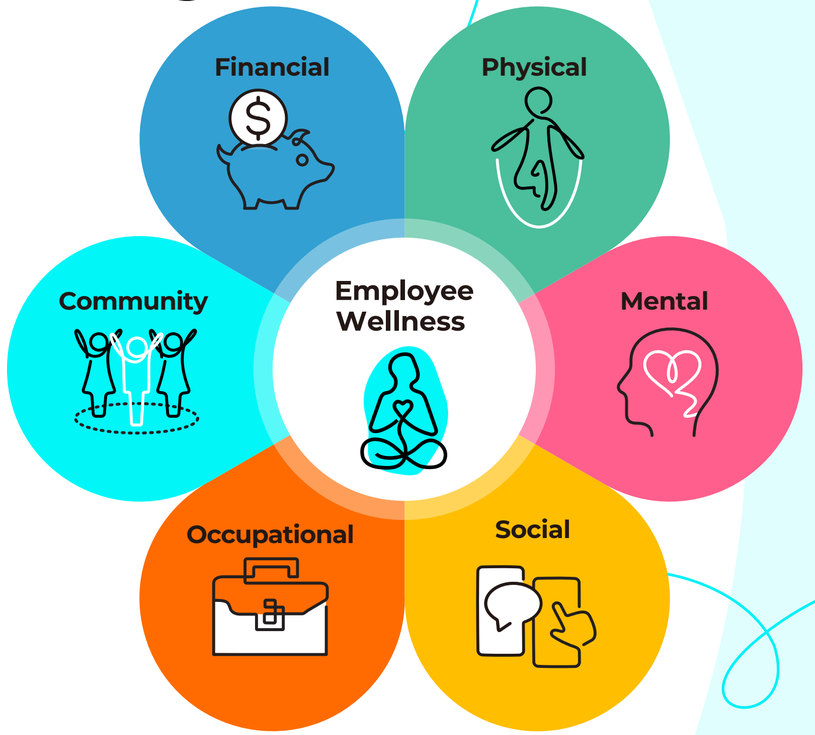
We aim to set new standards for wellness through the spaces we create, the services we provide, and the investments we make. We are committed to fostering a safe, healthy, supportive environment where our employees can thrive, feel valued, and perform at their best. This commitment is reflected across our operations through people-first workplace design, quality physical and digital infrastructure, and systems that promote safety, comfort, and connection. Our focus also extends beyond our operations to community programmes and initiatives, as well as to life sciences investments that aim to improve health outcomes and quality of life.

The Group's Health and Safety Policy applies to all our business activities and stakeholder relationships, providing a consistent framework for safeguarding people across our operations and value chain. It underpins compliance with all applicable laws, regulations, standards, and codes of practice. The health and safety management systems for both our property management and construction divisions are certified to ISO 45001:2018, covering colleagues and contractors. We also continue to embed best practices into daily operations through site inspections, risk assessments, incident reviews, and regular training, strengthening our culture of safety and enhancing risk awareness.

During the reporting year, we assessed all our major products and services and recorded no significant incidents of non-compliance with health and safety standards.

Workplace Wellness

We believe that prioritising employee health, safety, and wellbeing helps create a workplace where our colleagues feel supported and motivated to contribute positively. By fostering a safe, healthy, and inclusive working environment, we empower them to grow with confidence and unleash their potential.



▲ SEWell Six Pillars of Employee Wellness Framework

We continued to offer other forms of assistance to support employee wellbeing across the Group in the reporting year. Our initiatives included the Employee Assistance Programme, which provides a 24-hour hotline for employees and their family members seeking help with work, family, social, or other personal challenges. The service is delivered by independent professional counsellors who offer guidance and practical advice. Professional mental health consultation is further supported through our comprehensive Employee Medical Scheme, which enables employees to consult mental health specialists without requiring a referral letter.



Nan Fung's Employee Wellness Framework

Our SEWell Six Pillars of Employee Wellness Framework ("the SEWell Framework"), informed by the WHO's guidance on holistic wellbeing, takes a comprehensive approach to employee wellbeing. Structured around six interconnected pillars — Physical, Mental, Social, Occupational, Community, and Financial — the SEWell Framework is supported by clear metrics aligned with international and local benchmarks. It enables us to evaluate the effectiveness of our wellness initiatives across pillars, monitor progress over time, and identify opportunities for continuous enhancement.

SEWell Community

SEWell Programme and SEWell Community

Our SEWell Programme provides colleagues with a diverse and responsive suite of wellness activities tailored to their needs and interests within the SEWell Framework.

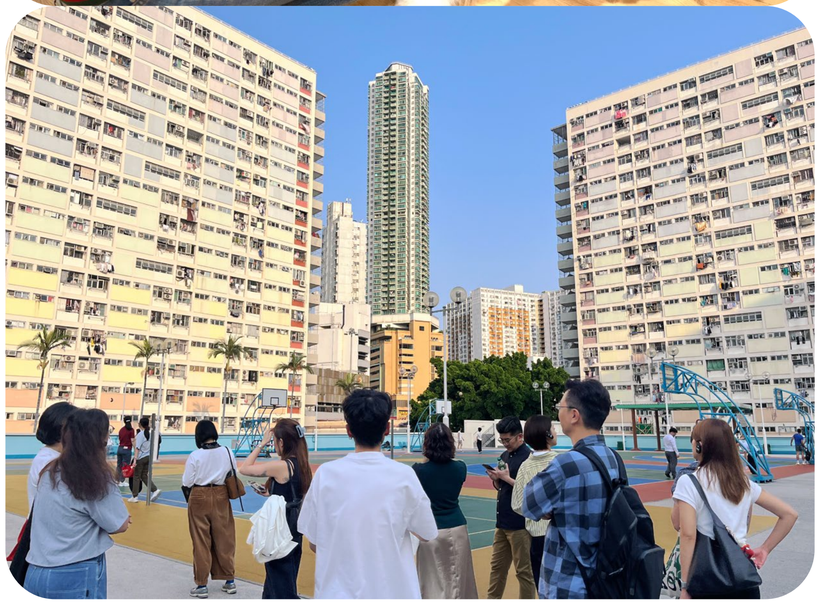
In this reporting year, the programme featured a range of themed activities addressing all six pillars of employee wellness. These included NF Mini HYROX, a gamified fitness journey designed to promote physical wellbeing and encourage healthier habits, and the Mental Health First Aid Certificate Course, which equipped colleagues with practical knowledge to identify and respond to common mental health conditions. Other initiatives included the Dr. Dog Experience, which supported emotional wellbeing and stress relief through guided interactions with therapy dogs, as well as a tour exploring Choi Hung Estate that encouraged colleagues to reflect on the connections between architecture, community heritage, and the lived urban environment. Complementing these initiatives, an MPF seminar was organised to support our colleagues' financial wellbeing and retirement planning.

As part of our broader wellness journey, SEWell Wednesday creates a regular opportunity for colleagues to pause, recharge, and focus on their wellbeing during the workweek. Through recurring stretching and mindfulness sessions, this initiative provides dedicated time for physical relaxation and mental decompression during the workday, empowering colleagues to build healthier routines while fostering a stronger culture of self-care.

Building on this momentum, our employee-driven initiative, the SEWell Community, encourages colleagues to take the lead in shaping their wellness journey. By co-creating wellness initiatives that reflect shared interests, team members can cultivate meaningful connections and deepen their sense of belonging. During the reporting year, nine SEWell communities were formed, covering diverse activities including running, cooking, and farming.

By integrating company-organised SEWell events with employee-driven community gatherings, we have achieved both greater impact and enhanced resource efficiency. Community-led initiatives have enabled us to deliver outcomes just as well, but with a much wider group reaching over 25% more participants and increasing total participation hours by over 50%. This hybrid model also strengthened team bonding and peer support, as staff-led activities spark deeper connections, stronger ownership, more frequent engagement, and momentum through peer influence. As a result, SEWell has evolved into a self-sustaining, community-led ecosystem with a highly optimised corporate resource footprint.





Together, these initiatives do more than provide support — they shape how colleagues feel, perform, and engage at work, reinforcing a positive workplace culture.

SEWell Survey

The impact of the Group's wellness initiatives is evaluated through the annual SEWell Survey, designed in alignment with the SEWell Framework and informed by WHO Guidelines. Responses from colleagues across the Group provide insights into wellbeing needs and priorities, supporting the ongoing refinement of our programmes and initiatives.

With a response rate of 66% in the reporting year, we saw:

- a 6% increase in willingness to act in improving physical health;
- a 5% increase in weekly average exercise time, equivalent to 60 minutes more than the WHO's recommendation of 150 minutes per week; and
- an improved WHO-5[37] score, with the average score remaining above the passing score.

[37] The World Health Organization-Five Well-Being Index (WHO-5) is a self-report instrument measuring mental wellbeing

Occupational Health and Safety

Occupational health and safety is integral to the management of our construction activities and property management operations.

Across our construction companies, our Health and Safety Committee ("H&S Committee") and Corporate Safety Committee, a subcommittee under the H&S Committee, oversee construction safety and initiatives to protect employees and contractors at the corporate level. The committees bring together senior management, department and section heads, site management, and employee representatives to meet quarterly.

At the site level, the Site Safety Committee meets monthly to oversee risk assessments for construction activities. The committee also manages on-site inspections, subcontractor evaluation, training, and health seminars. All sites are required to comply with the Company Safety Policy and implement a safety plan. In cases of non-compliance, operations are suspended immediately and followed up with corrective actions, which may include restricting site access and mandatory retraining.

Potential hazards and accident risks are identified and documented in the safety plan, which is reviewed annually by the Corporate Health and Safety Manager and site safety teams, and approved by the General Manager. To support early identification of risks, workers and community members are encouraged to report potential hazards through opinion boxes located at site entrances or directly to site representatives. The availability of these reporting channels is communicated to all workers during their site induction. All reported cases are investigated by the Site Safety Team, with more complex matters escalated to the site or senior management for timely rectification of unsafe conditions. In response to incidents, safety alerts are issued, and the safety plan is updated where necessary. Feedback is addressed via on-site notice boards, with key learnings reviewed at Site Safety and Corporate Safety Committee meetings to enhance performance and transparency.

In our property management division, a dedicated Wellbeing Taskforce oversees compliance with occupational health and safety requirements. The taskforce meets once every two months and brings together management, safety team members, site managers, and functional teams to monitor performance and drive continuous improvement.

Occupational health and safety across construction sites and managed properties is reinforced through regular assessments, risk evaluations, and incident investigations, conducted by our safety team members or an external assurance provider to review and strengthen our systems.

All employees and workers, including contractors, are covered by relevant occupational health and safety management arrangements. Workers receive job-specific safety training before commencing work.

> During the reporting year, we recorded zero employee fatalities in the workplace and achieved an LTIR of 0.87, well below our target of 2.0.





Tenant, Customer, and Community Wellness

We actively engage with tenants, customers, and the wider community to promote health and wellbeing in ways that are relevant and meaningful to them. Providing safe, healthy, and comfortable spaces enhances their experiences, supports loyalty, and helps maintain long-term relationships. At the same time, contributing to broader societal wellbeing strengthens the communities we operate in and helps cultivate a more vibrant and thriving environment.

We adopt globally recognised frameworks, including building certifications such as the WELL Standard, to enhance everyday wellbeing for tenants and customers. To complement these efforts, we also curated a range of programmes and experiences during the reporting year to promote emotional wellbeing, self-care, and meaningful social connections for various stakeholders.





Emo House

Organised by In Time Of, Emo House is a community initiative designed to promote mental wellness and emotional resilience through an engaging restaurant-themed concept. By equipping participants with practical tools to better navigate daily emotional challenges, the initiative aims to normalise conversations around mental wellbeing while encouraging self-care and emotional awareness. Emo House delivers simple, relatable experiences as well as “train-the-trainer” capacity-building sessions with the ultimate goal of supporting and boosting emotional resilience:

- **The group “Emo Menu”:** a tailor-made, three-course experience designed for different groups, teams, or specific themes. Using curated “Emo Kits” and interactive tools, participants learn to identify and embrace a full range of emotions together.
- **“Waiter” training programme:** a practical course that equips participants to become Emo House “waiters” — emotionally resilient facilitators who are able to start meaningful conversations, co-design interactive activities, and address common misconceptions about feelings.
- **Mental wellness events and interactive booths:** community-based engagement activities that extend the “Emo Menu” to a wider audience through interactive booths and experiential events, encouraging participants to explore and strengthen their emotional wellbeing.

Weird Sensation Feels Good: The World of ASMR

Autonomous Sensory Meridian Response (“ASMR”) refers to calming sensory experiences triggered by sounds, visuals, or gentle interactions that can promote relaxation and emotional comfort. The award-winning immersive exhibition brought together over 40 works by ASMRtists, contemporary artists, and designers from around the world, creating a distinctive platform for visitors to engage with self-care and mental wellbeing in a creative and participatory environment.

At the heart of the exhibition was the “ASMR Arena”, a large-scale installation built from over a kilometre of woven pillow material, where visitors could immerse themselves in carefully curated audio-visual ASMR experiences. The exhibition also debuted Hong Kong-themed ASMR works inspired by the city’s culture and everyday life, while inviting visitors to create their own ASMR content. The exhibition attracted almost 40,000 visitors, with 34 guided tours hosted for NGOs and schools. Through these interactive and multi-sensory experiences, we sought to encourage moments of reset, reflection, and reconnection amid the pace of daily urban life.





PIVOTAL
LIFE SCIENCES





Wellness for Humankind

Our work in promoting community wellbeing extends to investments in life sciences through NFLS, which aims to advance societal wellness by supporting the development of medical breakthroughs. Backed by Nan Fung's multidisciplinary expertise, NFLS works alongside scientists, entrepreneurs, and industry leaders to help translate innovation into meaningful solutions. Since 2017, it has invested systematically across the life sciences value chain, focusing on high-impact therapeutic products and technologies that address unmet medical needs across different stages of development. Through its investment platform, Pivotal, NFLS provides capital and strategic support to companies from discovery through to development and delivery.

> In assessing investment opportunities and overseeing our active portfolio, we consider not only their potential to deliver meaningful health outcomes for patients, communities, and society, but also the strength of their governance, risk management, and business practices.

In 2023, Pivotal established an ESG due diligence policy to further integrate ESG criteria into its investment process. This reflects recognition of the material risks and opportunities associated with ESG performance, while supporting the sustainable growth of the life sciences sector.

Enhancing Protection Against Pneumococcal Disease

NFLS invests in healthcare innovations with the potential to transform patient outcomes. One highlight is its investment in Vaxcyte to advance next-generation pneumococcal vaccines using a novel cell-free manufacturing platform. Unlike traditional cell-based approaches, this technology is designed to enable faster development, improved consistency, and broader serotype coverage, addressing key limitations in existing vaccines.

Vaxcyte's lead candidate, VAX-31, is designed to protect against approximately 95% of pneumococcal serotypes responsible for disease, compared with just over 50% covered by the current standard of care. This represents a significant step forward in preventing invasive pneumococcal disease, a major cause of hospitalisation and mortality worldwide. Primary beneficiaries include infants, young children, and adults aged 65 and older, who are most at risk of the disease. Secondary beneficiaries include clinicians, immunisation programmes, regulators, and global public health systems.

NFLS's long-term support has enabled the scaling of this platform and accelerated clinical progress. In 2023, Vaxcyte received the FDA Breakthrough Therapy designation for an adult candidate. In 2025, positive Phase 2 infant trial results demonstrated strong immune responses and favourable tolerability, highlighting the vaccine's potential to expand global protection.


fabricaX
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從你身穿的毛衣，到手拿著的袋子，重新想像圍繞我們身邊的種種物料。
BIOMATERIALS 新生物料
FRUIT WASTE WITH ALGAE LEATHER ALTERNATIVE
MICROBIALLY PRODUCED INDIGO DYE
PARASITIC FUNGUS LEATHER ALTERNATIVE
COFFEE WASTE LEATHER ALTERNATIVE
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Innovation

Highlights

The Mills Fabrica

- Made a new direct investment in developing sustainable protein ingredients for aquafeed and pet food applications
- 40 agrifood and techstyle innovators were showcased through The Mills Fabrica's platform and events

NF Trinity

- Over 70 events were hosted or participated in to foster thought leadership among family offices
- Featured in The Family Office Playbook developed by the HKSAR Financial Services and Treasury Bureau, Invest Hong Kong, and Bloomberg to support family offices scaling in Hong Kong

Summer Educational Programming Series

72 students were engaged in interactive STEM experience workshops, supported by 35 volunteers representing tenants, contractors, NFIRE employees, and non-profit partners

NF Touch Membership Programme

Over 3 million NF Seeds were converted into 11,000 donations, benefitting 16 NGOs



Life Sciences Research and Investment

- 40 academic research projects were sponsored through the Life Sciences Research Sponsorship Programme since 2017
- More than US$1.4 billion committed to over 70 companies and 40 funds through NFLS and Pivotal since 2017

Innovation

Our Management Approach

Innovation lies at the heart of Nan Fung's business, guiding how we evolve, create new possibilities, and strengthen future readiness. By building a culture where entrepreneurs and intrapreneurs can thrive, we empower our people to turn bold ideas into initiatives that create meaningful impact for our stakeholders and the communities we serve. Rooted in both culture and practice, this approach underpins our commitment to developing pioneering solutions that support sustainable growth while advocating for better industry practices.

During the reporting year, we advanced innovation-led initiatives that empower our tenants, customers and communities in addressing evolving sustainability challenges. Across our key Hong Kong properties, we continued to enrich our customer experience and membership ecosystem through the NF Touch Membership Programme ("NF Touch"), fostering deeper connections with our tenants and customers via personalised experiences, wellbeing initiatives, and immersive campaigns that encourage more sustainable lifestyles.

Our innovation arm, The Mills Fabrica, continued to develop and scale purpose-driven innovation through thematic venture capital investments as well as hosting exhibitions and workshops focused on agrifood and techstyle. NFLS further demonstrated how innovation is integrated into the life sciences industry through specialised infrastructure and strategic partnerships. We also continued to embed sustainability principles into investment decisions and the operations of our financial arm, NF Trinity, aligning innovation, business performance with positive impact.



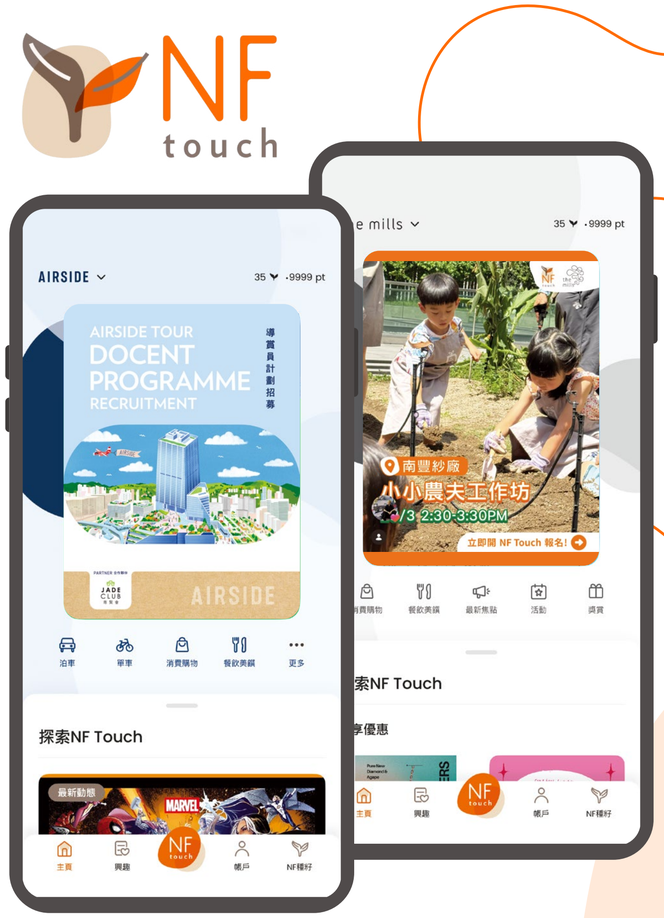
NF Touch Membership Programme

Established in 2022, NF Touch engages our customers, tenants, and communities through curated rewards and experiences, alongside initiatives that promote wellbeing and environmentally responsible decisions. Powered by a technology-enabled platform, NF Touch enhances customer experience by delivering personalised offers and services, ensuring engagement with our members is constantly relevant.

In addition to core membership features, such as earning spend-based NF Points from in-mall transactions, members can also collect impact-based NF Seeds by achieving daily wellness goals through activities such as running and yoga, adopting responsible living practices such as recycling, or supporting environmentally conscious merchants. NF Seeds can then be shared with different NGOs — turning sustainable actions into in-kind support for people in need.

> During the reporting year, NF Touch members collected and donated over three million NF Seeds — supporting over 11,000 donations to 16 NGOs.

The in-kind support included emergency medical allowances for those in need, sponsorships for abandoned animals, and targeted community initiatives for different beneficiaries in society.



The Mills Fabrica

> Since its establishment in 2018, Fabrica has operated across Hong Kong and London, building an ecosystem with like-minded entrepreneurs and strategic partners.

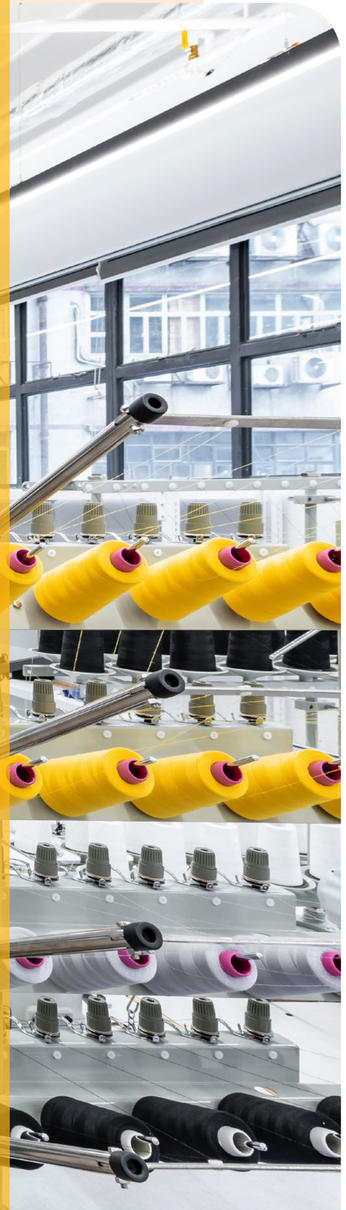
The platform provides comprehensive business support and funding, while its collaborative spaces bring together innovators, entrepreneurs, and visionaries to develop and implement practical and impactful solutions, with a particular focus on the agrifood (agriculture and food) and techstyle (technology and lifestyle) sectors.

Investment Portfolio

In the reporting year, Fabrica made a strategic investment to further catalyse deeptech solutions aligned with its impact framework. Fabrica's new direct investment focuses on the aquafeed and pet food markets, supporting an innovative precision fermentation solution that helps decouple protein production from resource-intensive agriculture.

Notable updates from The Mills Fabrica's portfolio include:

- **Circular fashion innovation:** supporting the scale-up of textile recycling infrastructure, alongside new brand, sourcing and supply chain partnerships.
- **Next-generation fashion technologies:** advancing the global expansion of a biological pigment synthesis technology.
- **Sustainable food innovation:** accelerating the development of fermentation-based alternatives in the food and feed sectors, including cocoa-free products and sustainable protein ingredients, through strategic partnerships, biomanufacturing plans, and funding support.



Agrifood – Shaping the Future of Food

We support innovations across the entire food production chain that improve crop health, speed up automation, and pioneer novel ingredients to accelerate the transition towards a more sustainable, resilient, future-ready food industry.

What Will the World Be Eating in 2050? at Fabrica X London

Against the backdrop of a growing population and climate change, Fabrica hosted its inaugural agrifood exhibition, What Will the World Be Eating in 2050? featuring 12 ground-breaking innovations across the two key themes of Innovation in Agriculture and Next-Generation Food. The exhibition welcomed 2,480 visitors across 43 tours.

The six-month exhibition highlighted solutions that regenerate soil, advance staple crop productivity, and elevate nutrition and gastronomic experiences. From AI-powered crop evolution to cocoa-free chocolate and protein created from CO_2 emissions, each exhibit traced the product's journey from origin to table, demonstrating how every ingredient can contribute to a more resilient future for people and the planet.

DFI Sustainability Challenge

Livestock farming accounts for a substantial portion of the world's human-caused GHG emissions, with beef and dairy cattle contributing the largest share. In partnership with DFI Retail Group ("DFI"), Fabrica launched an innovation challenge to identify scalable and cost-effective solutions to advance decarbonisation across beef and dairy farming while safeguarding animal health and productivity. The winning solution received financial support from DFI to accelerate its transformative development as well as mentorship, networking, and global exposure through the Fabrica ecosystem.









Techstyle – Advancing Circular Production

Techstyle brings together technology and lifestyle. We strive to build a sustainable future through technology-empowered solutions, transforming how we produce, consume, and live.

Global Change Award Alumni Exhibition at Fabrica X London

As a long-standing partner to the H&M Foundation's Global Change Award ("GCA"), Fabrica hosted the Global Change Award Alumni Exhibition, a one-month immersive showcase celebrating a decade of supporting early-stage innovation and visionary changemakers.

Bringing together 20 remarkable global GCA alumni, the exhibition showcased breakthroughs spanning next-generation materials and clean-chemistry dyes, as well as pioneering circular approaches for product design, garment care, and recycling, promoting inclusive, sustainable transitions in the fashion industry.

Following its run in London, the exhibition travelled to Stockholm for the Global Change Award Changemaker Summit and Ceremony Week. Across both locations, the exhibit welcomed over 700 visitors, including attendees from 10 industry tours.

London Craft Week at RESELFRIDGES

Marking the fifth year of support, Fabrica partnered with London Craft Week to co-curate a one-week shoppable experience at RESELFRIDGES located on the ground floor of the Selfridges London flagship store.

The showcase featured eight pioneering designers and makers specialising in upcycling and circular design, who use creativity to repurpose, reuse, and repair unwanted items and waste materials. Some items demonstrated how discarded materials can be reinvented into fashion, furniture, and sculptures, while others explored new expressions of modern craft through emerging technologies such as virtual reality and 3D printing.

Through the showcase, Fabrica brought circular innovation closer to audiences by offering tangible experiences that demonstrated how creativity and innovation can inspire new ways of producing and consuming.









Kingpins China-Hangzhou 2025

At Kingpins China-Hangzhou 2025, a leading international trade show for the denim industry, Fabrica and Fabrica X demonstrated a shared commitment to advancing sustainability through a dedicated booth and participation in two curated panel discussions.

Acting as a live extension of Fabrica X's impact retail concept, the booth translated complex issues like lifecycle impacts and responsible consumption into engaging stories for visitors from all walks of life. The event also demonstrated how sustainability and impact are embedded in Fabrica's work — from venture support and ecosystem programmes to exhibitions, campaigns, and education initiatives.

Please refer to Fabrica's Impact Report for its investment strategies and broader ecosystem-building initiatives.

NF Trinity

Nan Fung's commitment to SEWIT extends to NF Trinity, our financial investment arm, which oversees multiple asset classes, including public securities, private market funds, and direct and co-investments.

NF Trinity has embedded the SEWIT framework into its investment decision-making processes and day-to-day operations by implementing a structured environmental, social, and governance ("ESG") approach. This integration shapes the entire investment lifecycle — from initial screening and due diligence to ongoing monitoring — ensuring that investments are evaluated, prioritised, and managed with sustainability considerations in mind.

Investment Highlights

During the reporting year, NF Trinity invested in a leading global infrastructure fund that focuses on energy, digital services, transportation, utilities, and social infrastructure. The fund is supported by a dedicated sustainability team, a responsible investment policy, net-zero guidelines, and a data analytics and AI platform to source deals, assess risks, and monitor performance. It aims to scale solutions that support the transition to a more digitally-enabled, resilient economy. This reflects NF Trinity's commitment to creating long-term value through investments with strong environmental, societal relevance.

Leading the Global Family Office Ecosystem

NF Trinity sustained momentum in engaging family offices and deepening relationships to foster a more interconnected family office ecosystem. Our vision is to build a dynamic family office platform that connects people to exchange investment perspectives, share deal flow opportunities, and strengthen the community through the sharing of operational insights and best practices.

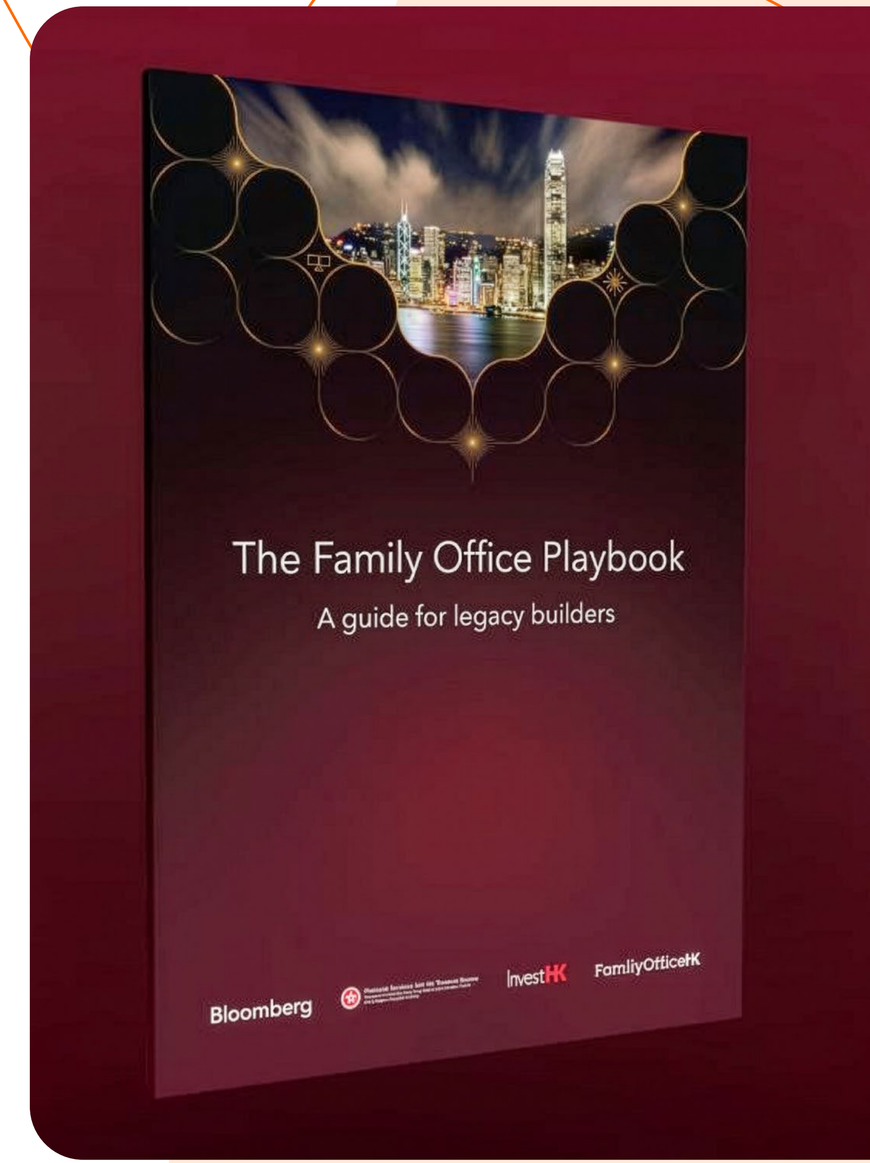
NF Trinity
NF FamilyOffice

While NF Trinity's foundation remains rooted in Greater China, we have steadily expanded our efforts into Southeast Asia, Europe, and other key international markets, reaching hundreds of family offices across regions. In the reporting year, in collaboration with government bodies, industry associations, and professional institutions, the team hosted or participated in a significant number of events — including executive luncheons, thematic seminars, and knowledge-sharing sessions — fostering thought leadership and learning among family office principals and professionals, while unlocking new partnership opportunities and investment synergies.

In addition, we actively support newly established family offices in Hong Kong, as well as foreign families entering the market, by providing trusted local know-how, and practical guidance. By introducing them to meaningful business connections and curated investment ideas, we support their understanding and integration into the local ecosystem.

As NF Trinity continues to pursue sustainable returns for our stakeholders, we remain committed to reinforcing Hong Kong's position as an international hub for wealth management and legacy planning.

> In October 2025, the HKSAR Financial Services and Treasury Bureau, Invest Hong Kong, and Bloomberg published The Family Office Playbook ("the Playbook"), a comprehensive guide developed to support family offices establishing or expanding their presence in Hong Kong. NF Trinity was featured in the Playbook, sharing practical strategies for navigating the regulatory environment, managing investments, enhancing operational efficiency, and planning for wealth succession.



Nan Fung International Real Estate

NFIRE, established in Boston, US in 2019, is our real estate investment and operating platform focused on developing and managing life sciences and office properties across the US.

Since its establishment, our team has drawn on decades of global experience to create dynamic work environments that inspire innovation, foster collaboration, and drive discovery. By addressing unmet real estate needs in the life sciences sector, we provide fully fitted-out and turnkey lab solutions where changemakers can thrive.

Summer Educational Programming Series

Beyond developing cutting-edge research spaces, NFIRE is committed to advancing social impact by fostering knowledge sharing and innovation and supporting our tenants in connecting with the local community.

Partnering with science educators, community partners, and NFIRE tenants, the Summer Educational Programming Series delivers interactive and hands-on workshops to spark curiosity, build confidence, and strengthen early STEM identity among inner-city youth from South Boston, covering a variety of topics such as anatomy, chemistry, marine science, neuroscience, plant science, engineering, and architecture. By participating in experiential learning, mentorship, and exposure to professional life-science environments, students connect with real-world science through practical STEM applications.

In the reporting year, the programme engaged 72 students, supported by 35 volunteers representing tenants, contractors, NFIRE employees, and non-profit partners from Science from Scientists and the Condon Centre.

> Students reported strong gains in learning and confidence, with 100% expressing increased interest in STEM and 91% reporting greater confidence in doing science.

Through the years, volunteers have contributed more than 260 hours to the programme, deepening tenant engagement and reinforcing shared ESG priorities. Student feedback highlighted increased curiosity, greater career awareness, and inspiration drawn from real-world role models. At the same time, volunteers reported stronger confidence and a deeper sense of alignment with the programme's mission.





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

Hong Kong Life Sciences Society

Other than the initiatives run by our subsidiary businesses, Nan Fung, together with a network of biotech companies across Hong Kong, the Chinese Mainland, and beyond, supports innovation through the Hong Kong Life Sciences Society ("HKLSS").

Established in 2018, HKLSS is committed to fostering a vibrant life sciences ecosystem in Hong Kong and dedicated to nurturing and attracting young talent from Hong Kong, the Chinese Mainland, and internationally. Through the development of an extensive platform for knowledge exchange, industry collaboration, and public engagement, HKLSS contributes to strengthening Hong Kong's position as a hub for life sciences.

> Since its inception, HKLSS has convened over 4,000 members and 100 industry partners.





Study Tours

Launched in 2019 and held annually since, HKLSS organised two study tours in the Chinese Mainland and Europe during the reporting year to nurture young talent and broaden their horizons. Through company visits, networking with professional associations, and in-depth dialogues with industry experts, the tours deepened participants' understanding of the dynamic global innovation landscape while strengthening Hong Kong's connections with leading research and industrial clusters on both continents.

The Wuxi-Shanghai Life Sciences Study Tour in June 2025 offered 55 participants exceptional access to top-tier life sciences and biotechnology organisations, where they gained first-hand insights into industry trends, innovation, and incubation strategies within the Chinese Mainland's rapidly evolving biotech ecosystem.







The Switzerland-UK Biotech and Science Communication Study Tour in August 2025 provided 20 participants with unique access to the Swiss and UK biotech communities and facilitated meaningful exchanges with industry leaders and innovators, deepening their understanding of translational research and science communication in these two countries.

Summer Internship Programme

Introduced as HKLSS' first flagship programme in 2019, the Summer Internship Programme offers undergraduate and postgraduate students opportunities to explore cutting-edge research and the latest technologies across a broad spectrum of life sciences corporations, including leading healthcare and pharmaceutical companies, venture capital firms, start-ups and NGOs.

Initially taking place in Hong Kong and Shanghai, the programme has since expanded to include Hetao in Shenzhen. Leveraging the geographical advantage of "one river, two banks" and "one zone, two parks", this additional location enables students to deepen their understanding of technological innovations in the Yangtze River Delta Region and the Greater Bay Area. In the reporting year, the programme engaged 50 interns and 30 companies.

Mentorship Scheme

Guided by industry experts and senior executives in AI, data analytics, entrepreneurship, healthcare, and investment, the Mentorship Programme helps mentees to explore academic and career pathways, broaden their professional networks, and deepen their understanding of developments in Hong Kong and the Chinese Mainland to support their future development.

To further strengthen peer-to-peer support, the Young Mentorship Scheme was established to pair first-year students and college students with our alumni aged 35 and below. Alumni provide practical guidance on academic planning, internships, and early-career navigation from a peer's perspective and offer helpful insights about possible solutions and career options. In the reporting year, the seventh cohort of the Mentorship Programme featured 88 mentors and 114 mentees.



Technology

Highlights

Artificial Intelligence

- Launched MY AI platform and engaged more than 500 users to provide access to AI capabilities and advance the Group's digital transformation journey
- Enabled cross-departmental process transformation through AI-powered solutions, including Fiann to streamline access to corporate information and VIVA Genie to elevate customer service quality
- Accelerated investment research and processes through AI-enabled tools, conversational analytics, and systematic screening

Property Technology

- Implemented drone inspection system at Jardine Court to enhance site monitoring and management
- Enhanced visitor management system at AIRSIDE to enable seamless and contactless office access



Technology

Our Management Approach

At Nan Fung, we see technology as a catalyst for transformation. Recognising the shift from digitisation to intelligence, we take a purpose-driven approach to technology and AI to anticipate change, respond to evolving market needs, and make decisions with agility and confidence.

As we harness the opportunities of data and AI, we are building our people's capabilities to support the transition, including equipping our teams with specialised knowledge, robust platforms, clear governance, and effective system integration. These foundations make knowledge easier to access, turn data into actionable insights, and strengthen day-to-day execution across the Group, enabling our colleagues to navigate complexity with greater clarity in their work.

> Not only do these technologies enhance operational efficiency and reduce environmental impact, but they also elevate the experience of our customers, tenants, and visitors by enabling more seamless, responsive interactions. To guide the responsible adoption of these technologies, we have established an AI Policy that sets out principles for the ethical use of AI, data governance, and risk management.

Shaping Smarter Places with Property Technology

Drone Inspection System at Jardine Court

At Jardine Court, one of the Group's redevelopment projects, a drone inspection system has been implemented to enhance site monitoring and management throughout the construction phase, providing consistent, reliable aerial data coverage across key stages of the project lifecycle.

Routine flights capture fixed-point and panoramic imagery from consistent locations and angles, creating clear and comparable visual records over time. These records support progress tracking, reporting, and stakeholder communications, while minimising personnel exposure to hazardous or hard-to-access areas and reducing the frequency of manual site inspections.

The system also supports surveying and engineering needs. High-resolution imagery enables the creation of 3D site models, earthwork volume calculations, and accurate measurement of levels, dimensions, and coordinates, improving precision and reducing errors associated with conventional methods.

Visitor Management System at AIRSIDE

At AIRSIDE, we continue to enhance our smart building solutions to improve service quality and efficiency. Our upgraded Visitor Management System ("VMS") supports a more secure, seamless arrival experience through a self-service e-kiosk, where visitors can enter their details, present an identity document for verification, and receive a QR code access pass that can be saved to a smartphone wallet for convenient entry and access.

By digitalising the visitor check-in process, the VMS creates a more intuitive, well-designed guest journey while strengthening access control and enabling more consistent, data-informed front-of-house management. The experience is further supported by access provisions for visitors with different mobility and accessibility needs, including smoother entry procedures for wheelchair users and visitors requiring special assistance.



Driving Operational Excellence with AI

Inspired by Nan Fung's culture, which encourages experimentation, rapid prototyping, and learning by doing, our teams have built a habit of working cross-functionally to brainstorm ideas that enhance workflows and tackle operational inefficiencies. By bringing together diverse perspectives, colleagues can move promising concepts quickly into pilots that are tested, refined, and scaled. This bottom-up approach fosters collaboration and ensures solutions are shaped by user feedback, adoption needs, and operational realities.

During the reporting year, we launched a Group-wide AI enablement platform, MY AI, and initiated various process transformation projects across the Group to redesign existing workflows. Rather than treating AI as a standalone technology, these projects focus on translating day-to-day challenges into clear problem statements, solution designs, and practical implementation plans.



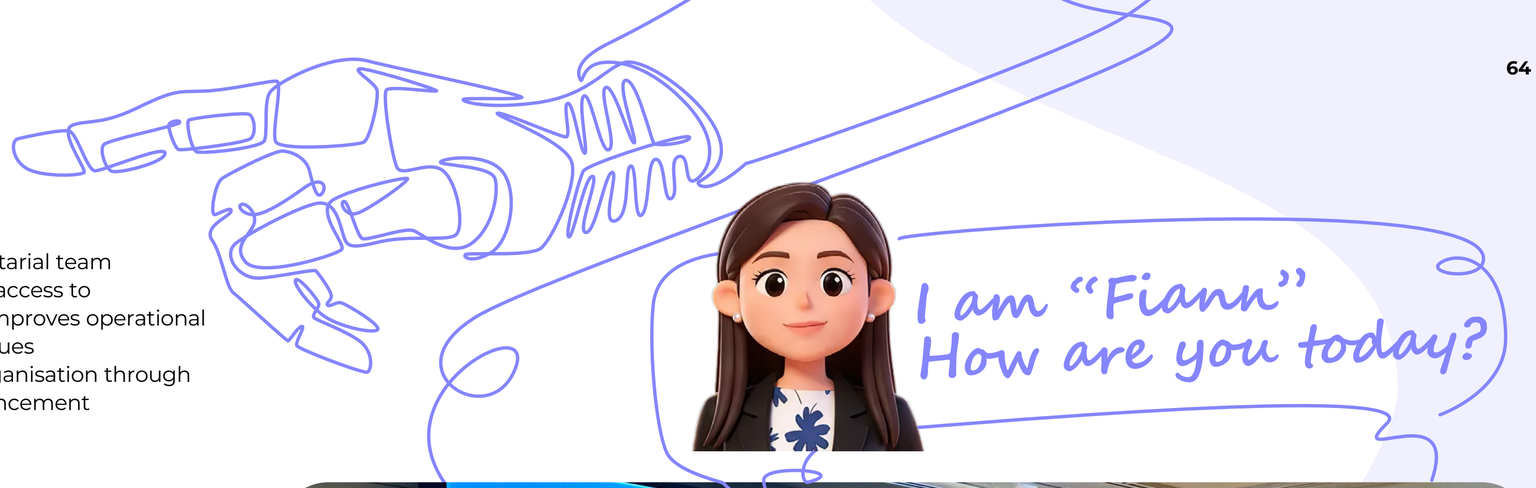
Our MY AI Platform

MY AI is the Group's centrally governed generative AI platform, designed to provide colleagues with secure access to AI tools within our digital workplace. Embedded in day-to-day work, it enables colleagues to use a range of AI capabilities, from drafting and refining documents to summarising reports, conducting research, and generating visual content, without needing to source external tools or switch between platforms. By making AI more accessible, MY AI supports digital inclusion, helps colleagues with different levels of technical familiarity adopt AI with greater confidence, and fosters a culture of continuous learning and innovation.



To help colleagues make practical, meaningful use of these capabilities, MY AI includes an AI Learning Hub, a central repository of curated real-world cases, learning materials, and Group-specific content. We provide targeted training and knowledge sharing across our teams, offering practical guidance on workflows and prompting techniques with real-world use cases from internal champions.

> Cross-team expert exchanges further strengthen this momentum — sparking fresh ideas, driving peer learning, and turning emerging ideas into meaningful solutions.



Advancing Corporate Intelligence with Fiann

Given the growing volume of corporate records and information, the Company Secretarial team introduced Fiann, an internal AI-powered knowledge assistant designed to enhance access to essential corporate information. By streamlining routine knowledge retrieval, Fiann improves operational agility and supports effective day-to-day compliance. More broadly, it enables colleagues to embed technology across the Group by building a more adaptive, future-ready organisation through improved operational resilience, strengthened institutional knowledge, and the advancement of sustainable business practices.

Improving Service Delivery through VIVA Genie

NFPM introduced VIVA Genie, an AI-enabled tool, to support colleagues in accessing information and responding to day-to-day customer enquiries. Built on a privacy-enabled AI foundation, VIVA Genie is tailored to our operating context, drawing on NFPM-specific policies, procedures, and guidelines to handle routine and recurring tasks more smoothly and consistently. For example, previously, when evaluating whether proposed work arrangements met required standards, property management teams had to manually search for forms, compile reference materials, and draft responses. With VIVA Genie, teams simply input their query to instantly receive tailored guidance and document references. Suggested prompts also help structure enquiries and reduce back-and-forth, streamlining communication workflows.



Transforming Investment Processes with AI

In the reporting year, NF Trinity embedded a set of AI tools across research, data analytics, and internal communication workflows to improve efficiency and ensure scalability. AI-powered market intelligence and search platforms were integrated into core research activities, including earnings reviews and stock initiation, to automate document sourcing and accelerate content review.

Data engineering and analytics workflows were streamlined using cloud-based data platforms, resulting in faster data transformation and visualisation. This further enabled conversational analytics, allowing the team to generate tables, charts, and summaries from structured datasets using natural language queries, reducing reliance on structured query language and manual data preparation.

In parallel, the team also developed a proprietary revision-cycle screening framework to identify cyclical stocks at troughs or early inflection points. The framework quantifies analyst estimate revision patterns across downcycles, replacing manual review of research notes with a systematic screening process. The methodology is applicable across sectors and supports the use of sector-appropriate metrics, such as funds from operations in real estate.



The D. H. Chen Foundation

陳廷驊基金會
THE D.H.CHEN FOUNDATION

The D. H. Chen Foundation

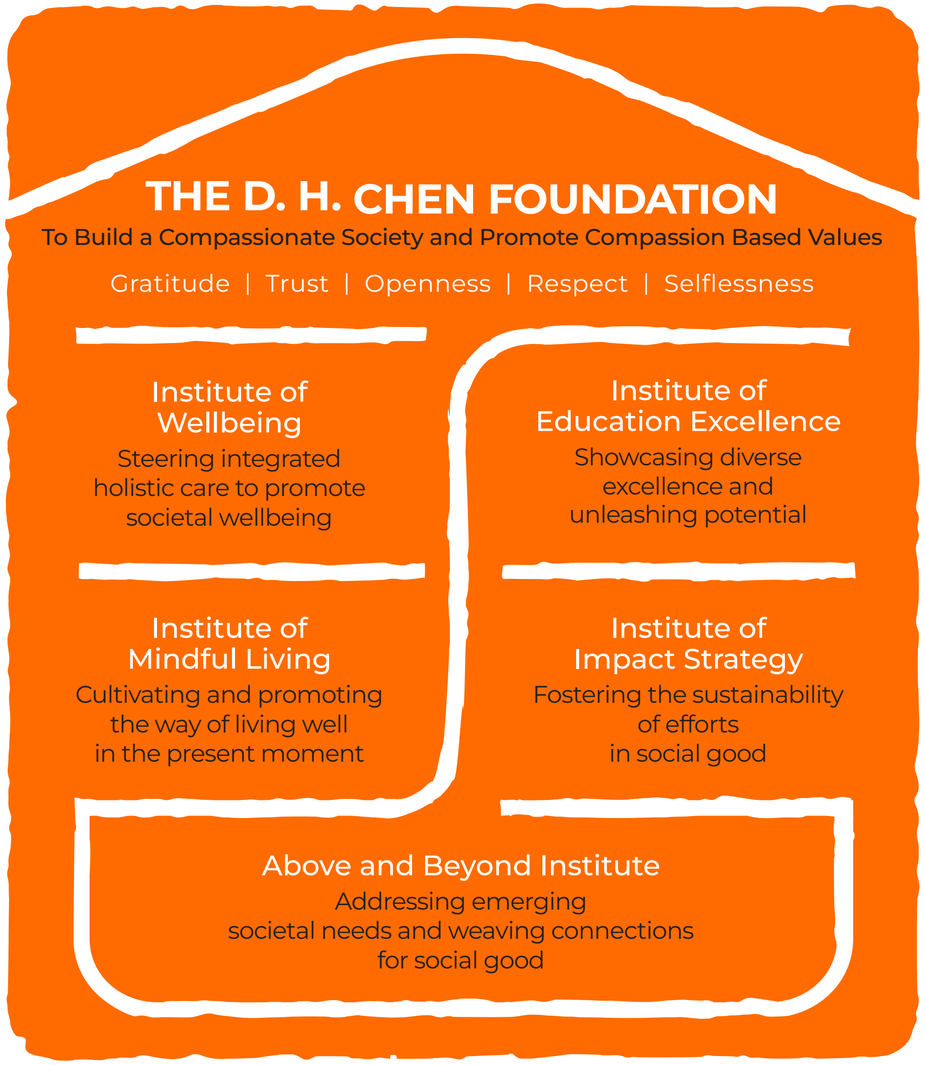
Our Focus and Strategy

The D. H. Chen Foundation ("the Foundation") is a family philanthropic trust established in 1970 by Dr. Chen Din Hwa, founder of Nan Fung Group.

> Guided by Dr. Chen's motto to "Care for others as well as you would care for yourself", it is grounded in five core values — Gratitude, Trust, Openness, Respect, and Selflessness.

The Foundation continues to advance innovative, impactful, and sustainable initiatives that respond to evolving and emerging social needs, carrying forward its enduring commitment to building a more compassionate society.

Through its five Institutes, and its latest purpose-driven social venture, D'Ventures, to be launched in 2026, the Foundation partners with like-minded organisations to develop and deliver compassion-based initiatives across diverse areas of need. By bringing together financial, intellectual, and social resources, the Foundation seeks to create lasting positive change, strengthen community wellbeing, and foster a more caring and inclusive future.



▲ The Foundation's House of Compassion: Mission, Vision, and Guiding Values

Institute of Wellbeing
Strengthening Emotional Resilience

Supportive Net Weaver 1.0 is a youth mental wellbeing programme initiated by the Foundation and the Mental Health and Psychosocial Support Service of the Hong Kong Red Cross. It aims to strengthen emotional resilience and psychosocial capacity through a community-based model. Grounded in the belief that care is a shared responsibility, the programme equips students, teachers, parents, youth workers, and community partners with practical knowledge and tools to recognise distress, respond supportively, and encourage timely help-seeking.

In the reporting year, the programme combined scale and depth through a multi-faceted design. This included Psychological First Aid ("PFA") training for students, teachers, and parents across Hong Kong through an accessible e-learning platform and deeper school partnerships with interactive activities such as role-play, peer discussion, mindfulness, and reflection to support the practical application of social and emotional learning.

A core "Compassionate Hero" initiative further strengthened student leadership and peer support with the help of trained volunteer PFA instructors. Beyond the school setting, the programme expanded community capacity by supporting youth-serving non-profit organisations through a tailored board game competition focused on emotional resilience.

Key achievements:

6,146 students, teachers, and parents reached

122 schools engaged in PFA training through e-learning platform

64% of participants reported improved emotional awareness after PFA training

Institute of Education Excellence
Empowering Youth to Navigate Career Pathways

PURSUIT OF *X*

Pursuit of X ("PoX") is a youth development programme initiated by the Foundation and the CoCoon Foundation to address one of the key challenges facing young people in Hong Kong — identifying personal strengths and navigating a meaningful pathway from education to career.

Targeting youth aged 15 to 25, PoX integrates technology, experiential learning, mentorship, and reflection to empower young people to develop self-awareness, emotional intelligence, and agency — key drivers of lifelong adaptability and wellbeing that encourage young people to pursue values-driven careers that contribute to a more compassionate society.

In late 2025, the programme evolved into a hybrid model that blends immersive experiences with technology. This model provides young people with equitable access to diverse career insights and real-world opportunities through an online life and career exploration platform co-created with the CoCoon Foundation previously.

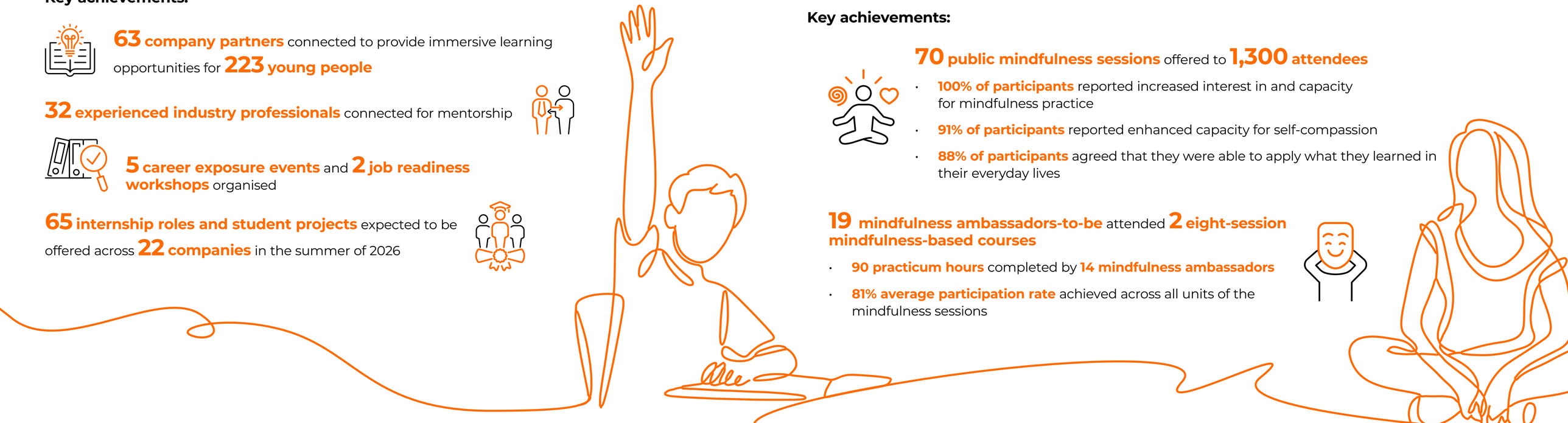
Key achievements:

63 company partners connected to provide immersive learning opportunities for **223 young people**

32 experienced industry professionals connected for mentorship

5 career exposure events and **2 job readiness workshops** organised

65 internship roles and student projects expected to be offered across **22 companies** in the summer of 2026



Institute of Mindful Living
Promoting Mindfulness as Part of Everyday Life

To promote mindfulness as an essential part of everyday urban life, the Foundation and The Hong Kong Sheng Kung Hui Welfare Council introduced D' Well, a calm and welcoming space for the public to slow down, reconnect, and build resilience through consistent, ongoing practice.

D' Well, located at the Foundation's D'Hub, places particular emphasis on adults aged 50 or above and caregivers, offering support ranging from drop-in sessions and themed workshops to structured courses and emotional support services.

To further strengthen community connection and extend impact, D' Well nurtured mindfulness ambassadors through practicum training and placement in the reporting year. The ambassadors have applied their learning through direct engagement with the public, promoting wellbeing and compassion within the neighbourhood. They also acted as community influencers, making mindfulness practices more accessible and relatable to the wider community through regular sharing of personal experiences and leading communal activities that encouraged collective participation.

Key achievements:

70 public mindfulness sessions offered to **1,300 attendees**

- **100% of participants** reported increased interest in and capacity for mindfulness practice
- **91% of participants** reported enhanced capacity for self-compassion
- **88% of participants** agreed that they were able to apply what they learned in their everyday lives

19 mindfulness ambassadors-to-be attended **2 eight-session mindfulness-based courses**

- **90 practicum hours** completed by **14 mindfulness ambassadors**
- **81% average participation rate** achieved across all units of the mindfulness sessions

Institute of Impact Strategy
Strengthening the Social Impact Sector

Co'asis

Co'asis is a resource-sharing and community-building platform co-initiated by the Foundation and Time Auction in 2023 to support Social Purpose Organisations ("SPOs"), including non-profits and social enterprises. Many SPOs in Hong Kong face challenges such as limited resources, capability gaps, and a lack of timely and accessible support networks. By fostering a culture of reciprocity, members can seek and contribute support among one another.

Through co-learning calls, SPO practitioners can access peer guidance to navigate organisation-specific issues. In addition, peer learning sessions bring members together to discuss practical operational topics, share knowledge, and exchange first-hand experience, which helps facilitate in-kind support and referrals to high-quality, purpose-aligned services and resources.

Building on insights since its launch, Co'asis is now piloting ways to engage allies from corporations, philanthropic organisations, and other stakeholders. This includes developing an online browsable member directory and organising member-driven roundtables and knowledge-sharing sessions. By convening smaller groups around shared priorities, Co'asis aims to build a thriving, collaborative social impact sector ecosystem.



Key achievements:

79 SPOs engaged

137 one-on-one calls contributed by Co'asis members with **152 connected calls**

122 resources made available with **38%** donated by members

13 small learning sessions delivered for **251 attendees**

Above and Beyond Institute
Building a Neighbourhood Wellbeing Ecosystem

The Foundation continues to support Health In Action in implementing the Healthy Compassionate Community initiative in Kwong Fai Circuit, a vibrant neighbourhood in the Kwai Tsing district of Hong Kong, home to over 6,400 residents, predominantly low-income families living in subdivided housing.

Using an Asset-Based Community Development approach, the programme focuses on building a sustainable, resident-led community health ecosystem by mobilising local strengths of residents, volunteer groups, grassroots businesses, schools, non-profits, and faith organisations to co-create health initiatives that respond to evolving needs.

In this reporting year, initiatives included the establishment of disease- and symptom-based health management groups, topical health workshops, street-level outreach, and community-wide events. The programme also strengthened the "Guardians of Kwong Fai Circuit" volunteer network to advance peer support and service navigation, including helping neighbours understand and apply for the Hospital Authority's Enhanced Medical Fee Waiver.

Collectively, these efforts have contributed to stronger health literacy, deeper community cohesion, and increased shared ownership of wellbeing, advancing a more compassionate, health-promoting neighbourhood anchored in local strengths.

Key achievements:

258 health and community development sessions delivered

978 unique participants reached

Over **5,243 attendances** recorded

Nearly **3,000 attendees** engaged at street counters

More than **800 residents** engaged at community-wide events

34 active members expanded from 10 in the "Guardians of Kwong Fai Circuit" programme



Appendices

Awards, Building Certifications, and Professional Memberships

Awards[1]

Organiser	Award/Recognition	Company/Building/Project
American Society of Heating, Refrigerating and Air-Conditioning Engineers Hong Kong Chapter	Technology Award 2025 – Commercial Buildings (New) Category – Winner	AIRSIDE
Asian Business Review	Hong Kong Customer Experience of the Year – Retail	The Mills Fabrica
CareER Association Limited	CareER Disability Inclusive Employer	Nan Fung Group Holdings Limited
CLP Power Hong Kong Limited	CLP Smart Energy Award 2025 – Energy Management Awards (Commercial)	Nan Fung Property Management
Construction Industry Council	Worker-Friendly Construction Site – Management Contract Proposed Residential Development at Nam Pin Wai, Sai Kung, Hong Kong	Bordon Construction Company Limited
	Worker-Friendly Construction Site – Proposed Residential Development at 24-38 Mount Butler Drive, Jardine's Lookout, Hong Kong	Chun Yip Construction Company Limited
Electrical and Mechanical Services Department	Building O&M Best Practice Award 2024 – Best Practice Award	The Mills
	Building O&M Best Practice Award 2024 – Merit Award	AIRSIDE
	Building O&M Best Practice Award 2024 – Special Award for ESG	Nan Fung Property Management
	Building O&M Best Practice Award 2024 – Special Award for Innovation	Nan Fung Property Management
	Building O&M Best Practice Award 2024 – Special Award for Safety	Nan Fung Property Management
Environmental Campaign Committee	2024 Hong Kong Awards for Environmental Excellence – Property Management (Commercial & Industrial) – Gold Award	AIRSIDE
	2024 Hong Kong Awards for Environmental Excellence – Property Management (Commercial & Industrial) – Certificate of Merit	Nan Fung Tower
	2024 Hong Kong Awards for Environmental Excellence – Property Management (Residential) – Silver Award	The Visionary
	Hong Kong Green Organisation	· 33 Des Voeux Road West · Nan Fung Tower
	Energywi$e Certificate – Excellent Level	Nan Fung Tower
	Energywi$e Certificate – Good Level	· 33 Des Voeux Road West · TKO Plaza
	IAQwi$e Certificate – Good Level	33 Des Voeux Road West
	IAQwi$e Certificate for GF Lift Lobby – Good Level	Nan Fung Tower
	IAQwi$e Certificate for 25F Lift Lobby – Good Level	Nan Fung Tower
	Wastewi$e Certificate – Excellent Level	Nan Fung Tower
Environmental Protection Department	Certificate of Appreciation for Natural Christmas Trees Recycling Programme	Nan Fung Tower
Environmental Protection Department and Y Park	Certificate of Appreciation for 2025 Peach Blossom Trees Recycling Programme	· 33 Des Voeux Road West · Nan Fung Tower · The Mills
Environmental Protection Department and Indoor Air Quality Information Centre	Indoor Air Quality Certificate	Nan Fung Tower
Global Real Estate Sustainability Benchmark	Global Sector Leader in the Diversified – Office/Retail Sector	Nan Fung Group Holdings Limited
	Five-star rating	
Green Council	Certificate of Appreciation for Hong Kong Green Day	· 33 Des Voeux Road West · Nan Fung Tower · The Mills
	Environmental, Health and Safety Award – Construction (Large Corporation) – Silver	· Bordon Construction Company Limited · Chun Yip Construction Company Limited
	Sustained Performance 10 Years+	· Bordon Construction Company Limited · Chun Yip Construction Company Limited
	UNSDG Achievement Awards Hong Kong 2025 – Project Award	Nan Fung Property Management
	UNSDG Achievement Awards Hong Kong 2025 – Individual SDG Award – Goal 8: Decent Work and Economic Growth	Nan Fung Property Management
	UNSDG Achievement Awards Hong Kong 2025 – RISE Pathways Organisation Award – Sustainable Organisation – Gold	Nan Fung Property Management
Greeners Action	Hong Kong Outstanding Green Management Award 2025 – Gold Level	· AIRSIDE · The Visionary · Kwai Chung Plaza · Profit Industrial Building
Home and Youth Affairs Bureau and the Agency for Volunteer Service	Hong Kong Volunteer Award Corporate – Volunteer Hour – Bronze Award	Nan Fung Property Management
Hong Chi Association and Nestle	Quality Recycling Award – Silver	Nan Fung Tower
Hong Kong Construction Association	HKCA Proactive Safety Contractor Award for the Year 2024	Chun Yip Construction Company Limited
Hong Kong ESG Reporting Awards	Best Sustainability Report for Non-listed Company – Commendation	Nan Fung Group Holdings Limited
	Excellence in Social Positive Impact – Commendation	Nan Fung Group Holdings Limited
Hong Kong Green Building Council and Professional Green Building Council	Green Building Award 2025 – Green Building Leadership (Facilities Management) – Pioneer Award	Nan Fung Property Management
	Green Building Award 2025 – Existing Buildings (Facilities Management) – Grand Award	AIRSIDE

[1] Covers the Group's core businesses with operational control

Organiser	Award/Recognition	Company/Building/Project
Hong Kong Green Organisation Council	Energywi$e Certificate – Good Level	· The Mills · TKO Plaza
	Wastewi$e Certificate – Excellent Level	· 33 Des Voeux Road West · Nan Fung Tower
	Wastewi$e Certificate – Good Level	The Mills
Hong Kong Institute of Human Resource Management	HR Excellence Awards 2025/26 – Community Caring Award (Organisational Sub-Category) – Merit Award	Nan Fung Property Management
Hong Kong Management Association	Hong Kong Management Association Sustainability Award – Certificate of Excellence	Nan Fung Group Holdings Limited
International Council of Museums - Committee for Education and Cultural Action	Best Practice Award 2025	CHAT
Labour and Welfare Bureau and the Hong Kong Jockey Club	"Caring Employer" Medal 2025 – Level 1 Disability Inclusive Supporter	Nan Fung Development Limited
	"Caring Employer" Medal 2025 – Level 2 Disability Inclusive Employer	Nan Fung Property Management
Occupational Safety and Health Council, Labour Department, Department of Health	Harmony@Workplace Organisation 2025-26	· Bordon Construction Company Limited · Chun Yip Construction Company Limited
	Mental Health Friendly Organisation Award – Enterprise / Organisation Category – Certificate of Attainment	Chun Yip Construction Company Limited
Promoting Happiness Index Foundation	Happiness-at-Work	Nan Fung Group Holdings Limited
Royal Institution of Chartered Surveyors	Royal Institution of Chartered Surveyors Awards 2025 – Commercial Property Project of the Year – Winner	AIRSIDE
Social Value Portal	Social Value Awards – Global Excellence – Highly Commended	Nan Fung Group Holdings Limited
The Chicago Athenaeum: Museum of Architecture and Design and The European Centre for Architecture Art Design and Urban Studies	GOOD DESIGN Award 2025	Fabrica X Coffee Shop
The Crime Prevention Bureau of the Hong Kong Police Force and the Vocational Training Council	2024 Security Services Best Training Award – Award of Gold (Licensed Security Company – Type I)	· New Charm Management Limited · Main Shine Development Limited · Hon Hing Enterprises Limited · Vinberg Property Management Limited
The Hong Kong Council of Social Service	Caring Company	Nan Fung Group Holdings Limited
	Caring Company Scheme 2024/25 – Leading Performance	· 80 Robinson Road · Summit Terrace
	Caring Company Scheme 2024/25 – Advanced Performance	· New Charm Management Limited · Main Shine Development Limited · Hon Hing Enterprises Limited · Vinberg Property Management Limited
	20 Years Plus Caring Company	Summit Terrace
	15 Years Plus Caring Company	· New Charm Management Limited · Main Shine Development Limited · Hon Hing Enterprises Limited · Vinberg Property Management Limited

Organiser	Award/Recognition	Company/Building/Project
The Hong Kong Internet Registration Corporation Limited and ISACA China Hong Kong Chapter	Cyber Security Staff Awareness Recognition Scheme 2025 – Diamond Tier	Nan Fung Property Management
The Hong Kong Institution of Engineers	Approved Company in the HKIE Scheme "A" Graduate Training in Building Engineering	Bordon Construction Company Limited
The Hong Kong Institute of Facility Management	Embracing ESG in Facility Management (Small & medium-scale Commercial Building) – Gold Award	Nan Fung Tower
	Embracing ESG in Facility Management (Large-scale Commercial Building) – Silver Award	AIRSIDE
	Embracing ESG in Facility Management (Small-scale Residential) – Silver Award	Mount Nicholson
	Excellence in Facility Management Award 2025 (Large-scale Commercial Building) – Excellence Award	· AIRSIDE
	Excellence in Facility Management Award 2025 (Small & medium-scale Commercial Building) – Excellence Award	· Nan Fung Tower · 33 Des Voeux Road West
	Excellence in Facility Management Award 2025 (Medium-scale Residential) – Excellence Award	· The Visionary · Kwai Chung Plaza
	Excellence in Facility Management Award 2025 (Small-scale Residential) – Distinction Award	8 Deep Water Bay Drive
	Excellence in Facility Management Award 2025 (Small-scale Residential) – Excellence Award	· 7-15 Mount Kellett Road · No. 80 Robinson Road · Fortuna Court · Grand Garden · Interocean Court · Island Garden · La Place De Victoria · Mount Nicholson · Queen's Cube
	Excellence in Facility Management Award (EFMA) 2025 (Industrial) – Excellence Award	· Asia Trade Centre · Golden Dragon Industrial Centre
The Hong Kong Institute of Real Estate Administrators	Awards of Excellence 2025 – Silver Award	Nan Fung Property Management
The Office of the Privacy Commissioner for Personal Data of Hong Kong	Privacy-Friendly Awards 2025 – Gold Award	Nan Fung Property Management
The People's Government of Changning District, Shanghai	Changning Charity Project Award	The Place
Water Supplies Department	Quality Water Supply Scheme for Buildings – Flushing Water – Silver	Nan Fung Tower
	Quality Water Supply Scheme for Buildings – Fresh Water (Management System)	Nan Fung Tower
World Green Organisation	Certificate for recognition of Green Office Award Labelling Scheme (GOALS)	Nan Fung Tower
WWF-Hong Kong	Certificate of Appreciation for Support WWF-Hong Kong's Earth Hour 2025	· 33 Des Voeux Road West · Nan Fung Tower

Building Certifications[2]

Certification	Rating	Building/Project
BEAM Plus Existing Buildings Comprehensive Scheme	Platinum	The Mills
BEAM Plus Existing Buildings Selective Scheme	Good Grade in Management Aspect	· 21 Coombe Road · 7-15 Mount Kellett Road · 8 Deep Water Bay Drive · 8 Wyndham Street · 80 Robinson Road · 84 Peak Road · Aqua Blue · Asia Trade Centre · Bay Villas · Cheung Fung Industrial Building · Edition 178 · Fook Hong Industrial Building · Fook Yip Building · Fortuna Court · Golden Dragon Industrial Centre · Grand Garden · Hing Wah Industrial Building · Interocean Court · Island Garden · Kwai Chung Plaza · La Cresta · La Place De Victoria · Marvel Industrial Building · MOS Centre · Mount Austin Estate · Mount Nicholson · Nan Fung Centre · Nan Fung Commercial Centre · Nan Fung Sun Chuen · Nan Fung Tower · On Lan Centre · Ori · Providence Bay · Providence Peak · Queen's Cube · San Po Kong Plaza · The Graces · Providence Bay · The Visionary · TKO Plaza · Tseung Kwan O Plaza (Residential) · Tsuen Fung Centre · Well Fung Industrial Building
	Excellent Grade in Energy Use Aspect	TKO Plaza
BEAM Plus Interiors	Platinum	Nan Fung Group Workplace (AIRSIDE)
BEAM Plus New Buildings	Platinum	AIRSIDE
	Provisional Platinum	24-38 Mount Butler Drive, Jardine's Lookout
	Provisional Gold	64-70 Wellington Street
BEAM Plus Neighbourhood	Platinum	AIRSIDE (obtained in 2018)
BREEAM	Excellent	Old Bailey
BREEAM	Very Good	108 Cannon Street
China Green Building Design Label	Three Star	AIRSIDE (obtained in 2019)
Energy Star	/	Two Financial Center
Energywi$e Certificate	Excellent Level	· Fook Hong Industrial Building · Nan Fung Commercial Centre · San Po Kong Plaza · Tsuen Fung Centre
Energywi$e Certificate	Good Level	Asia Trade Centre
LEED Interior Design and Construction: Commercial Interiors	Platinum	Nan Fung Group Workplace (AIRSIDE)
LEED Operations and Maintenance: Existing Buildings Recertification	Gold	· Two Financial Center · 470 Atlantic Avenue
LEED Operations and Maintenance: Existing Buildings	Platinum	· AIRSIDE · Le Rendez-vous · Nan Fung Tower (Shanghai) · The Place (Shanghai) · WPP Campus · Yi Fung Place
LEED Zero Waste	/	· The Place (Shanghai) · WPP Campus
SmartScore	Platinum	AIRSIDE (Office)
TRUE	Platinum	· The Place (Shanghai) · WPP Campus
WELL	Platinum	Nan Fung Group Workplace (AIRSIDE)
WELL Core	Platinum	· AIRSIDE (Office) · Le Rendez-vous · The Place (Shanghai) · Nan Fung Group Workplace (AIRSIDE) · Nan Fung Tower (Shanghai) · WPP Campus · Yi Fung Place
WELL Health-Safety Rating		· 108 Cannon Street · 138 Cheapside · Regent Quarter: Cottam House, Focus Point · Old Bailey
WELL Precertification	/	24-38 Mount Butler Drive, Jardine's Lookout
WiredScore	Platinum	AIRSIDE (Office)
Zero-Carbon-Ready Building Certificate – Energy Performance Certificate – Existing Building – Percentage Reduction Pathway	Landlord Level 2 Improvement	TKO Plaza
Zero-Carbon-Ready Building Certificate – Energy Performance Certificate Existing Building – EUI Pathway	Landlord Extra Low	The Mills

[2] Covers the Group's core businesses with operational control

Professional Memberships

Association	Nature of Membership	Entity
Business Environment Council	Council Member	Nan Fung Development Limited
Business Environment Council	General Member	New Charm Management Limited
Committee of Huahai Road	Member	Shanghai Haici Real Estate Company Limited
Green Council	Bronze Member	· Bordon Construction Company Limited · Chun Yip Construction Company Limited · Nan Fung Property Management
Guangzhou Association of Building Economy Promotion	Member	Guangzhou Zhan Hui Real Estate Development Company Limited
Hong Kong Association of Property Management Companies Limited	Full Member	Main Shine Development Limited
Hong Kong Construction Association	Member	· Bordon Construction Company Limited · Chun Yip Construction Company Limited
Hong Kong Green Building Council	Gold Patron Members	Nan Fung Group
Shanghai Real Estate Trade Association	Member	Shanghai Huatian Property Development Company Limited
Social Value Portal – Global Social Value Taskforce	Founding Member	Nan Fung Group Holdings Limited
上海市長寧區商業聯合會	Member	Shanghai Huatian Property Development Company Limited

External Charters

Name of Charter/Pledge	Sponsoring Organisation
4T Charter	· Environment and Ecology Bureau, HKSAR Government · Electrical and Mechanical Services Department, HKSAR Government
Breastfeeding Friendly Community Initiative	· Hong Kong Breastfeeding Mothers' Association · Natural Parenting Network · School of Nursing, The University of Hong Kong
Charter of Age-friendly Shopping Malls	The Hong Kong Charities Trust
Charter on External Lighting	Environment and Ecology Bureau, HKSAR Government
Construction Digitalisation Charter	Construction Industry Council
ECH20 – Enterprises Cherish Water Charter	· Green Council · Water Supplies Department, HKSAR Government
Employment Friendly Charter	The Hong Kong Council of Social Service
Energy Saving Charter	· Environment and Ecology Bureau, HKSAR Government · Electrical and Mechanical Services Department, HKSAR Government
Good Employer Charter 2024	Labour Department, HKSAR Government
Green Pledge	Green Council
Heart Caring Charter	· Labour Department, HKSAR Government · Occupational Safety and Health Council
Joyful@Healthy Workplace Charter	· Department of Health, HKSAR Government · Occupational Safety and Health Council
Mental Health Workplace Charter	· Department of Health, HKSAR Government · Labour Department, HKSAR Government · Occupational Safety and Health Council

Performance Summary

Environmental Data

	Unit	2025-26[3]	2024-25[4]	2023-24
Energy Consumption[5]				
Diesel oil	kWh	5,742,242	348,918	814,787
District cooling[6]	kWh	8,577,186	8,042,656	4,341,044
Gasoline/Petrol oil	kWh	302,197	433,706	486,721
Hydrotreated vegetable oil	kWh	571,906	0	0
Liquefied petroleum gas	kWh	0	0	234
Lubricants	kWh	9,698	1	6,021
Natural gas	kWh	8,241,783	9,186,909	5,322,220
Purchased electricity	kWh	156,038,417	161,309,856	162,023,046
Purchased steam	kWh	2,778,795	3,167,486	2,827,756
Purchased town gas	kWh	5,760	4,747	9,413
Renewable Energy				
Renewable energy generated	kWh	1,272,835	965,327	860,172
Renewable Energy Certificate ("REC") Procured	kWh	13,513,423	16,956,521	3,637,586
Renewable energy sold	kWh	975,208	963,847	859,481
Total Energy Consumption[7]	kWh	182,565,611	182,495,758	175,831,934
Energy Intensity	kWh/m^2 GFA	50.883	52.311	48.630
Greenhouse Gas ("GHG") Emissions[8,9]				
Scope 1[10]	tonne CO_2e	5,868	5,152	5,487
Scope 2 – market-based method[11,12]	tonne CO_2e	60,059	63,819	70,198
Scope 2 – location-based method[13,14]	tonne CO_2e	72,607	70,279	86,027
Total GHG emissions – market-based method	tonne CO_2e	65,927	68,971	75,685
Total GHG emissions – location-based method	tonne CO_2e	78,476	75,431	91,514
GHG intensity – market-based method	tonne CO_2e/m^2 GFA	0.018	0.020	0.021
GHG intensity – location-based method	tonne CO_2e/m^2 GFA	0.022	0.022	0.026

	Unit	2025-26[3]	2024-25[4]	2023-24
Materials Used				
Non-renewable materials	tonne	11,874	28,421	17,400
Renewable materials	tonne	2,844	0	0
Recycled materials	tonne	0	18	0
Total materials used	tonne	14,718	28,439	17,400
Water Consumption				
Total water consumption	m^3	841,393	814,510	885,696
Water intensity	m^3/m^2 GFA	0.235	0.233	0.249
Waste Directed to Disposal				
Hazardous waste directed to disposal				
Landfill Waste	tonne	0.981	0	0.040
Non-hazardous waste directed to disposal				
Landfill waste	tonne	68,106	77,337	88,117
Construction waste	tonne	9,990	18,680	1,854
Total hazardous waste directed to disposal	tonne	0.981	0	0.040
Total non-hazardous waste directed to disposal	tonne	78,095	96,017	89,971
Total waste directed to disposal	tonne	78,096	96,017	89,971
Waste Diverted from Disposal – Reused, Recycled, and Recovered				
Hazardous waste diverted from disposal				
Electrical waste	tonne	109	27	12
LED and light bulb	tonne	5	1	2
Rechargeable battery	tonne	0.8	0.6	0.3
Toner and inkjet cartridge	tonne	0.9	0.4	0.04
Others	tonne	0.1	1	0
Total hazardous waste diverted from disposal	tonne	116	30	15

3 Includes three additional development projects
4 Natural gas consumption in 2024-25 has been restated to exclude tenant usage
5 Energy conversion factors of different fuel types are referenced from Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government; Energy Star Portfolio Manager Technical Reference: Thermal Conversion Factors
6 District cooling is only available in Hong Kong, where the power consumption is estimated based on actual chilled water consumption and plant efficiency
7 The increase in total energy consumption is mainly driven by higher diesel oil usage associated with increased construction activities
8 GHG emissions are calculated in accordance with:
  i. Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, published by the Environmental Protection Department and the Electrical and Mechanical Services Department of the Hong Kong Special Administrative Region ("HKSAR") Government
  ii. GHG Protocol, published by the World Business Council for Sustainable Development and the World Resources Institute
9 Carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and hydrofluorocarbons (HFCs) are included in GHG calculations, while perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3) are not applicable
10 Scope 1 emission factors are sourced from HKEX: How to Prepare an ESG Report - Appendix 2: Reporting Guideline on Environmental KPIs; Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government
11 Market-based method refers to a method to quantify the Scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own
12 Scope 2 (market-based) emission factors are sourced from:
  i. **Hong Kong Property** – 2025 Sustainability Report, published by CLP Power Hong Kong Limited; Sustainability Report 2025, published by Hongkong Electric Company; Environmental, Social and Governance Report 2025, published by The Hong Kong and China Gas Company Limited
  ii. **Chinese Mainland Property** – Guangdong Province's Enterprise (Unit) Carbon Dioxide Emissions Accounting and Reporting Guidelines (2025 Edition), published by the Department of Ecology and Environment of Guangdong Province; Notice on Adjusting the Emission Factor Values in the Guidelines for Accounting of Greenhouse Gas Emissions (2022), published by the Shanghai Municipal Bureau of Ecology and Environment
  iii. **Singapore Property** – Singapore Energy Statistics 2025, published by Energy Market Authority, Singapore Government
  iv. **UK Property** – Fuel Mix Disclosure, published by F&S Energy; Fuel Mix Disclosure, published by EDF Energy
  v. **US Property** – Eversource 2024 Environmental Disclosure Label, published by Eversource Energy; Boston Greenhouse Gas Inventory Methodology 2023 Edition, published by the Boston Government
13 Location-based method refers to a method to quantify Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries
14 Scope 2 (location-based) emission factors are referenced from the grid factors released by the Carbon Risk Real Estate Monitor (CRREM)

	Unit	2025-26[3]	2024-25[4]	2023-24
Non-hazardous waste diverted from disposal (commercial and residential)				
General waste	tonne	4,321	2,445	2,418
Beverage carton	tonne	4	4	2
Food waste	tonne	4,370	3,371	3,586
Glass	tonne	145	136	112
Paper	tonne	1,410	1,098	859
Plastic	tonne	192	157	113
Metal	tonne	158	134	59
Used clothes	tonne	78	78	47
Others	tonne	1,365	93	18
Total non-hazardous waste diverted from disposal (commercial and residential)	tonne	12,043	7,517	7,214
Non-hazardous waste diverted from disposal (construction)				
Concrete	tonne	34	4,408	1,428
Metal	tonne	54	0	135
Timber	tonne	56	0	4
Others	tonne	43,183	28	4
Total non-hazardous waste diverted from disposal (construction)	tonne	43,326	4,436	1,571
Total non-hazardous waste diverted from disposal	tonne	55,369	11,952	8,784
Total waste diverted from disposal	tonne	55,485	11,983	8,799
Waste Generation				
Total waste generated	tonne	133,581	108,000	98,770
Waste intensity	tonne/m² GFA	0.037	0.031	0.028
Waste diversion rate	%	42	11	9
Total waste reused, recycled, and recovered	tonne	50,029	9,448	6,053
Waste recycling rate	%	37	9	6
Pollutants[15]				
Nitrogen oxides (NOx)	tonne	0.031	0.109	0.137
Sulphur oxides (SOx)	tonne	0.0005	0.001	0.001
Particulate matter (PM)	tonne	0.003	0.010	0.012

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

GHG Emissions – Scope 1, 2, and 3 Emissions Inventory

		Nan Fung Property Management Holdings Limited (NFPMHL)			Nan Fung Development Limited (NFDL)			Nan Fung Development Holdings Limited (NFDHL)		
Category	**Unit**	**2025**	**2024[16]**	**2022 (Baseline)**	**2025**	**2024**	**2021 (Baseline)**	**2025**	**2024**	**2021 (Baseline)**
Scope 1 – Direct Emissions										
Total scope 1 emissions	tonne CO_2e	6	268	260	0	0	0	0	0	0
Scope 2 – Indirect Emissions										
Total scope 2 emissions	tonne CO_2e	10,350	11,485	10,706	77	144	302	77	144	302
Scope 3 – Other Indirect Emissions										
1 Purchased Goods and Services	tonne CO_2e	723	749	1,205	0	0	3,831	486	76	2,121
2 Capital Goods	tonne CO_2e	0	0	584	0	0	109,666	2,380	0	200,916
3 Fuel- and Energy-related Activities	tonne CO_2e	464	518	1,337	3	6	38	3	6	38
4 Upstream Transportation and Distribution	tonne CO_2e	/	/	/	/	/	/	/	/	/
5 Waste Generated in Operations	tonne CO_2e	4,589	2,322	557	/	/	/	/	/	/
6 Business Travel	tonne CO_2e	/	/	/	59	34	0	59	34	0
7 Employee Commuting	tonne CO_2e	349	349	213	147	147	1	147	147	8
8 Upstream Leased Assets	tonne CO_2e	/	/	/	0	13	8	/	/	/
9 Downstream Transportation and Distribution	tonne CO_2e	/	/	/	/	/	/	/	/	/
10 Processing of Sold Products	tonne CO_2e	/	/	/	/	/	/	/	/	/
11 Use of Sold Products	tonne CO_2e	/	/	/	0	0	15,195	2,396	2,557	46,225
12 End-of-life Treatment of Sold Products	tonne CO_2e	/	/	/	0	0	2,476	697	669	7,000
13 Downstream Leased Assets	tonne CO_2e	13,216	16,650	22,420	/	/	/	/	/	/
14 Franchises	tonne CO_2e	/	/	/	/	/	/	/	/	/
15 Investments	tonne CO_2e	/	/	/	/	/	/	/	/	/

[15] The calculation methodology for pollutants is referenced from HKEX: How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs
[16] The 2024 electricity consumption figures have been restated to exclude EV charging. In addition, tenant energy consumption for 2024 under Scope 3, Category 13 (Downstream Leased Assets) has been restated to capture all energy consumption

Carbon Emissions – Scope 3 Emissions Reporting Methodology

	Scope 3 Category	Description	Applicability	Calculation Methodology/Exclusion Statement	Source of Activity Data	Source of Emission Data
1	Purchased Goods and Services	Upstream emissions from the extraction, production, and the transportation processes related to the products and services purchased	Yes	Emissions in this category are calculated using the following approaches: 1. Spend-based method – Emissions are calculated by applying the relevant emission factor to the spend amount for purchased goods and services 2. Supplier-specific method – Emissions are calculated by applying the supplier-specific emission factor to the quantity of goods purchased	1. Primary procurement spend data from NFPMHL, NFDL, and NFDHL 2. Primary water consumption data from NFPMHL, NFDL, and NFDHL	1. Table 13 - Indirect Emissions from the Supply Chain, published by Defra of the UK Government 2. Annual Report 2024/25, published by Water Supplies Department 3. Environmental, Social and Governance Report 2024-25, published by Drainage Services Department
2	Capital Goods	Upfront embodied carbon from new developments, and refurbishment and replacement of building components in existing assets	Yes – to NFDL & NFDHL	Emissions in this category are calculated using the following approaches: 1. Average spend-based method – Emissions are calculated by applying the relevant secondary emission factor to the spend amount of capital goods 2. Average product method – Emissions are calculated by applying the relevant secondary emission factor to the quantity of material purchased	1. Primary procurement spend data from NFPMHL 2. Material use records from NFDL and NFDHL 3. LCA assessment reports from consultants	Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government
3	Fuel- and Energy-related Activities	Emissions from the extraction, production, and transportation of fuels and energy purchased, not already accounted for in Scope 1 or Scope 2 reporting	Yes	Emissions are calculated using the average-data method, applying third-party regional emission factors to primary data on purchased electricity, diesel, and other fuels	Primary energy data from buildings in operation and from development projects	1. Electric power transmission and distribution losses (% of output), country-specific data published on the World Bank Open Data platform (sourced from the International Energy Agency) 2. Documentation of the Data and Calculation Methods to Support the GHG Protocol Scope 3 Screening Tool, published by the GHG Protocol and Quantis
4	Upstream Transportation and Distribution	Emissions from the transportation and distribution of goods and services purchased	/	A lump-sum of spending on transportation and distribution has been included in Category 1	/	/
5	Waste Generated in Operations	Emissions from the disposal and treatment of waste produced during operations	Yes – to NFPMHL	This category is calculated using the waste-type-specific method, collecting operational waste data by type and treatment method and applying the corresponding waste- and treatment-specific emission factors	Primary waste data from buildings in operations	1. Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong, published by The University of Hong Kong and City University of Hong Kong 2. Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government
6	Business Travel	Emissions from business travel by NFDL and NFDHL employees	Yes – to NFDL & NFDHL	Emissions are calculated using the following approaches: 1. Air travel – distance-based method: emissions are calculated by multiplying travel distances by the corresponding emission factors 2. Other travel (e.g., local taxi) – spend-based method: emissions are calculated from financial spend	Primary travel and spend data from NFDL and NFDHL	1. Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government 2. Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong, published by The University of Hong Kong and City University of Hong Kong

	Scope 3 Category	Description	Applicability	Calculation Methodology/Exclusion Statement	Source of Activity Data	Source of Emission Data
7	Employee Commuting	Emissions from the transportation of employees between their residence and workplaces	Yes	This category is calculated based on the number of employees at NFPMHL, NFDL, and NFDHL, combined with travel distances and financial expenditures collected through the Employee Commuting Survey	Primary travel data collected from the Employee Commuting Survey	1. Carbon Audit Toolkit for Small and Medium Enterprises in Hong Kong, published by The University of Hong Kong and City University of Hong Kong 2. Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government 3. CRREM Global Pathways, published by the Carbon Risk Real Estate Monitor (CRREM)
8	Upstream Leased Assets	Emissions from operation of assets leased by NFDL, not already accounted for in Scope 1 or Scope 2 reporting	Yes – to NFDL	This category is calculated using the average-data method, applying the relevant emission factors to leased floor area over the leasing period	Primary energy data for leased office spaces	Greenhouse Gas Reporting: Conversion Factors 2025, published by Defra of the UK Government
9	Downstream Transportation and Distribution	Emissions from the transportation and distribution of sold products	/	Not applicable to the operations of NFPMHL, NFDL, and NFDHL	/	/
10	Processing of Sold Products	Emissions from processing of intermediate products sold by downstream companies (e.g., manufacturers)	/	Not applicable to the operations of NFPMHL, NFDL, and NFDHL	/	/
11	Use of Sold Products	Emissions from end-use of buildings sold by NFDL and NFDHL	Yes – to NFDL & NFDHL	This category is calculated based on the sold residential floor area, the estimated lifetime of the properties, and the projected use-stage emission factors	Primary transaction data	1. 2025 Sustainability Report, published by CLP Power Hong Kong Ltd 2. Sustainability Report 2025, published by Hongkong Electric Company
12	End-of-life Treatment of Sold Products	End-of-life carbon emissions from the waste disposal and treatment of buildings sold by NFDL and NFDHL	Yes – to NFDL & NFDHL	This category is calculated based on the sold residential floor area and the end-of-life emission factors covering the demolition and waste treatment of building materials	Primary transaction data	Comprehensive Evaluation of Carbon Emissions for the Development of High-Rise Residential Building, MDPI Journal - Buildings 2018
13	Downstream Leased Assets	Emissions from operational assets owned by NFPMHL and leased to tenants, covering the electricity and energy consumed in tenants' operations	Yes – to NFPMHL	This category is calculated by: 1. Multiplying metered electricity consumption at the individual tenant level by local emission factors 2. Multiplying the total leased floor area of tenant spaces by the appropriate local energy use intensity (EUI) benchmark	1. Primary electricity data from the digital platform 2. Leased floor area of tenant spaces in properties without sub-metering	1. 2025 Sustainability Report, published by CLP Power Hong Kong Ltd 2. Sustainability Report 2025, published by Hongkong Electric Company
14	Franchises	Emissions from the operations of NFPMHL, NFDL, and NFDHL franchises	/	Not applicable to the operations of NFPMHL, NFDL, and NFDHL	/	/
15	Investments	Emissions from the operations of NFPMHL, NFDL, and NFDHL investments	/	Not applicable to the operations of NFPMHL, NFDL, and NFDHL	/	/

Social Data

	Group						Corporate[17]						Property Management[18]					
	2025-26		2024-25		2023-24		2025-26		2024-25		2023-24		2025-26		2024-25		2023-24	
Workforce Profile																		
Total workforce	3,229		3,254		3,043		1,274		1,293		1,273		1,955		1,961		1,770	
By gender																		
Male	1,787	55%	1,772	54%	1,694	56%	661	52%	674	52%	681	53%	1,126	58%	1,098	56%	1,013	57%
Female	1,442	45%	1,482	46%	1,349	44%	613	48%	619	48%	592	47%	829	42%	863	44%	757	43%
By age group																		
Under 30 years old	356	11%	405	12%	389	13%	124	10%	173	13.40%	181	14%	232	12%	232	12%	208	12%
30 to 50 years old	1,512	47%	1,495	46%	1,429	47%	858	67%	830	64.20%	824	65%	654	33%	665	34%	605	34%
Over 50 years old	1,361	42%	1,354	42%	1,225	40%	292	23%	290	22.40%	268	21%	1,069	55%	1,064	54%	957	54%
By geographical location																		
Hong Kong	2,751	85%	2,723	83.68%	2,507	82.39%	796	62.50%	762	58.90%	737	58%	1,955	100%	1,961	100%	1,770	100%
Chinese Mainland	408	13%	446	13.71%	436	14.33%	408	32.00%	446	34.50%	436	34%	0	0%	0	0%	0	0%
UK and US	69	2%	84	2.58%	99	3.25%	69	5.40%	84	6.50%	99	8%	0	0%	0	0%	0	0%
Others	1	0.03%	1	0.03%	1	0.03%	1	0.08%	1	0.08%	1	0.08%	0	0%	0	0%	0	0%
By employment contract																		
Permanent	2,961	92%	2,990	92%	2,829	93%	1,247	98%	1,262	98%	1,251	98%	1,714	88%	1,728	88%	1,561	88%
Temporary	268	8%	264	8%	214	7%	27	2%	31	2%	22	2%	241	12%	233	12%	209	12%
By employment contract																		
Full-time	3,011	93%	2,974	91%	2,812	92%	1,252	98%	1,266	98%	1,256	99%	1,759	90%	1,708	87%	1,573	89%
Part-time	218	7%	280	9%	231	8%	22	2%	27	2%	17	1%	196	10%	253	13%	197	11%
By employment level																		
Senior management	141	4.37%	141	4%	135	4%	141	11%	134	10.40%	128	10%	0	0%	7	0.35%	7	0.40%
Middle management	498	15.42%	521	16%	508	17%	407	32%	418	32.30%	408	32%	91	5%	103	5.25%	100	5.65%
General staff	675	20.90%	635	20%	611	20%	477	37%	415	32.10%	409	32%	198	10%	220	11.23%	202	11.41%
Others	1,915	59.31%	1,957	60%	1,789	59%	249	20%	326	25.20%	328	26%	1,666	85%	1,631	83.17%	1,461	82.54%
New Hires																		
Total new hires	873	29%	1,081	36%	1,048	37%	117	9%	235	19%	256	20%	756	44%	846	49%	792	51%
By gender																		
Male	518	32%	570	36%	588	38%	65	10%	129	19%	145	22%	453	47%	441	47%	443	51%
Female	355	26%	511	37%	460	36%	52	9%	106	18%	111	19%	303	40%	405	51%	349	50%
By age group																		
Under 30 years old	221	64%	260	67%	278	74%	33	29%	68	44%	78	46%	188	81%	192	83%	200	97%
30 to 50 years old	323	22%	459	31%	456	33%	76	9%	149	18%	146	18%	247	38%	310	47%	310	52%
Over 50 years old	329	29%	362	32%	314	30%	8	3%	18	6%	32	11%	321	39%	344	41%	282	37%

[17] Covers all employees
[18] Covers permanent employees only

	Group						Corporate[17]						Property Management[18]					
	2025-26		2024-25		2023-24		2025-26		2024-25		2023-24		2025-26		2024-25		2023-24	
By geographical location																		
Hong Kong	814	33%	968	39%	990	43%	58	8%	122	17%	198	28%	756	44%	846	49%	792	51%
Chinese Mainland	44	11%	79	18%	29	6%	44	11%	79	18%	29	6%	0	-	0	-	0	-
UK and US	15	23%	34	43%	29	40%	15	23%	34	43%	29	40%	0	-	0	-	0	-
Others	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	-	0	-	0	-
Turnover[4]																		
Total turnover	837	28%	832	28%	937	33%	181	15%	208	16%	245	20%	656	38%	624	36%	692	44%
By gender																		
Male	453	28%	452	28%	524	34%	89	14%	122	18%	138	21%	364	38%	330	35%	386	45%
Female	384	28%	380	27%	413	32%	92	15%	86	14%	107	19%	292	39%	294	37%	306	44%
By age group																		
Under 30 years old	203	59%	171	44%	193	51%	44	38%	37	24%	37	19%	159	69%	134	58%	161	78%
30 to 50 years old	316	21%	366	25%	421	30%	102	12%	128	16%	158	17%	214	33%	238	36%	286	48%
Over 50 years old	318	28%	295	26%	288	28%	35	12%	43	15%	50	15%	283	34%	252	30%	245	33%
By geographical location																		
Hong Kong	727	29%	732	30%	852	37%	71	9%	108	15%	160	22%	656	38%	624	36%	692	44%
Chinese Mainland	81	20%	76	17%	62	14%	81	20%	76	17%	62	14%	0	-	0	-	0	-
UK and US	29	45%	24	30%	23	32%	29	45%	24	30%	23	32%	0	-	0	-	0	-
Others	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	-	0	-	0	-
Voluntary turnover																		
Total voluntary turnover	670	23%	694	23%	836	30%	104	8%	136	11%	181	14%	566	33%	558	32%	655	42%
By gender																		
Male	368	23%	364	23%	474	31%	53	8%	80	12%	111	16%	315	33%	284	30%	363	42%
Female	302	22%	330	24%	362	28%	51	9%	56	9%	70	12%	251	33%	274	35%	292	42%
By age group																		
Under 30 years old	176	51%	146	38%	190	51%	30	26%	25	16%	33	20%	146	63%	121	52%	157	76%
30 to 50 years old	242	16%	308	21%	384	27%	58	7%	92	11%	114	14%	184	28%	216	33%	270	45%
Over 50 years old	252	22%	240	21%	262	25%	16	6%	19	7%	34	12%	236	28%	221	26%	228	30%
By geographical location																		
Hong Kong	622	25%	648	26%	787	35%	56	7%	90	12%	132	18%	566	33%	558	32%	655	42%
Chinese Mainland	33	8%	30	7%	37	8%	33	8%	30	7%	37	8%	0	-	0	-	0	-
UK and US	15	23%	16	20%	12	16%	15	23%	16	20%	12	16%	0	-	0	-	0	-
Others	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	-	0	-	0	-

	The Board			Management[19]			Non-management		
	2025-26	2024-25	2023-24	2025-26	2024-25	2023-24	2025-26	2024-25	2023-24
Diversity									
By gender									
Male	75%	75%	75%	52%	52%	54%	56%	55%	56%
Female	25%	25%	25%	48%	48%	46%	44%	45%	44%
By age group									
Under 30 years old	0%	0%	0%	3%	6%	7%	13%	14%	14%
30 to 50 years old	33%	33%	33%	77%	74%	75%	39%	36%	39%
Over 50 years old	67%	67%	67%	20%	21%	18%	48%	50%	47%

	2025-26	2024-25	2023-24
Training			
Average training hours	25	24	26
By gender			
Male	25	23	26
Female	27	24	25
By employment level			
Senior management	11	15	17
Middle management	27	26	25
General staff	29	27	30
Others	25	22	26
Performance Review			
Percentage of employees receiving performance review	87	–	–
By gender			
Male	84	79	89
Female	91	80	89
By employment level			
Senior management	97	84	80
Middle management	98	98	88
General staff	85	80	99
Others	84	74	87

	Male			Female		
	2025-26	2024-25	2023-24	2025-26	2024-25	2023-24
Parental Leave						
Employees entitled to parental leave	1,621	1,551	1,178	1,278	1,232	824
Employees that took parental leave	25	27	12	19	32	25
Employees that returned to work in the reporting period after parental leave ended	25	26	12	14	23	19
Employees that returned to work after parental leave ended and were still employed 12 months later	13	7	11	17	15	14
Return to work rate[20]	100%	100%	100%	100%	92%	100%
Retention rate	50%	58%	48%	74%	79%	56%

	Employees			Contractors		
	2025-26	2024-25	2023-24	2025-26	2024-25	2023-24
Occupational Health and Safety						
Total hours worked	7,831,247	8,003,035	7,548,773	2,455,283	13,793,660	1,165,997
Work-related fatalities	0	0	0	0	0	0
Rate of work-related fatalities (per 200,000 hours worked)[21]	0	0	0	0	0	0
Number of high-consequence work-related injuries	2	5	7	2	0	0
Rate of high-consequence work-related injuries (per 200,000 hours worked)[22]	0.05	0.12	0.19	0.16	0	0
Number of recordable work-related injuries	35	36	26	7	18	5
Rate of recordable work-related injuries (per 200,000 hours worked)[23]	0.90	0.90	0.69	0.57	0.26	0.86
Number of lost-time injuries	34	32	-	7	18	-
Lost time injury rate ("LTIR")[24]	0.87	0.80	-	0.57	0.26	-
Work-related ill health fatalities	0	0	0	0	0	0
Number of work-related ill health	0	0	0	0	0	0

[19] Covers senior management and middle management
[20] Calculated as dividing the total number of employees who returned to work after parental leave ended by the total number of employees who were scheduled to return, multiplied by 100
[21] Calculated as dividing total number of work-related fatalities by total hours worked, multiplied by 200,000. The 200,000-hour base corresponds to roughly 100 full-time employees working 40 hours per week for 50 weeks
[22] Calculated as dividing total number of high-consequence work-related injuries by total hours worked, multiplied by 200,000. The 200,000-hour base corresponds to roughly 100 full-time employees working 40 hours per week for 50 weeks
[23] Calculated as dividing total number of recordable work-related injuries by total hours worked, multiplied by 200,000. The 200,000-hour base corresponds to roughly 100 full-time employees working 40 hours per week for 50 weeks
[24] Calculated as dividing total number of lost-time injuries by total hours worked, multiplied by 200,000. The 200,000-hour base corresponds to roughly 100 full-time employees working 40 hours per week for 50 weeks

External Assurance

Introduction

Hong Kong Quality Assurance Agency (“HKQAA”, “we”, “our”, “us”) was commissioned to conduct an independent assurance for the sustainability disclosures (“Sustainability Disclosures”) presented in the SEWIT REPORT 2025-26 (the “Report”) of the reporting period from 1 April 2025 to 31 March 2026 (the “Reporting Period”) prepared by Nan Fung Group (“NFG”), and to issue this Independent Assurance Report (“Assurance Report”). For clarity, the information, data, and disclosures, presented on pages 65 – 68 of the Report, is not within the reporting boundary, are considered Other Information, do not form part of the Sustainability Disclosures, and are therefore excluded from the scope of our assurance engagement. For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company’s internal use only. Our sustainability assurance activities and this Assurance Report are undertaken based on the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities and independence as set out under Appendix A. A generic version of Appendix A is available for reference on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Announcements, Guides & Forms > Guidelines > Sustainability Assurance.

The Sustainability Disclosures, presented in the Report and represented the sustainability performance of the Company, including but not limited to the progress in the reporting period for the sign-up rate of Net Positive Lease, on-site generation of Renewable Energy and generation or facilitation of social value for quantifying Social Impact, are hereinafter referred to as the “Environmental and Social Data”. The verified Environmental and Social Data are marked with an asterisk (*) in the Report.[Note 1]

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

- The Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”)

Other Information

Management of the company is responsible for the other information. The other information comprises the information, data, and disclosures, presented on pages 65 – 68 of the Report. Our conclusion on the Sustainability Disclosures does not cover the other information, and we do not express any form of assurance conclusion thereon. In connection with our assurance engagement on the Sustainability Disclosures, our responsibility is to read the other information identified above and consider whether it is materially inconsistent with the Sustainability Disclosures, or with our knowledge obtained during the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Note 1

The sustainability data presented throughout this report covers including Energy Consumption, Renewable Energy and Generation, Greenhouse Gas (GHG) Emissions, Materials Used, Water Consumption, Waste Directed to Disposal, Waste Diverted from Disposal – Reuse, Recycling, and Recovery, Non-hazardous Waste Diverted from Disposal (Commercial and Residential), Non-hazardous Waste Diverted from Disposal (Construction), Waste Generation, Pollutants, Carbon Emissions – Scope 1, 2, and 3 Emissions Inventory, Workforce Profile, New Hires, Turnover, Diversity, Training, Performance Review, Parental Leave, Occupational Health and Safety, Social Impact and Net Positive Lease.

Assurance Methodology

HKQAA’s assurance procedure was conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”), issued by the International Auditing and Assurance Standards Board (“IAASB”).

The evidence gathering processes were designed to obtain a limited level of assurance, as set out in the ISAE 3000, using a risk-based approach. Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

Conclusion

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions, nothing has come to our attention that causes us to believe that the Sustainability Disclosures (including, but not limited to, the Environmental and Social Data listed in Part (1) of this Assurance Report) in the Company’s SEWIT REPORT 2025-26 for the Reporting Period from 1 April 2025 to 31 March 2026 are not presented, in all material respects, in accordance with the requirements of the GRI Standards, and with reference to reporting criteria as stated in the Introduction section of this Assurance Report.

This Assurance Report is made solely for the use of NFG and the users of its SEWIT REPORT 2025-26, and for use in the context and purpose described in the Introduction section of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come. We confirm our independence from the Company in conducting this engagement.

The engagement leader on the assurance engagement resulting in this Assurance Report is K T Ting.

Signed on behalf of Hong Kong Quality Assurance Agency



DD August 2026

Ref: 15003000

List of Sustainability Issues

				Stakeholders and Impacts											
Sustainability Issues	**Material Topics**	**Pillars**	**GRI Standards**	**Employees**	**Academic/ Schools**	**Banks/ Investors**	**Communities and NGO Partners**	**Customers/ Consumers**	**Government/ Regulators**	**Joint Venture Partners**	**Media**	**Professional Bodies/Industry Experts**	**Suppliers/ Vendors/ Contractors**	**Tenants**
Business Ethics	Corporate Governance and Ethics	Governance	• GRI 205: Anti-corruption 2016 • GRI 206: Anti-competitive Behavior 2016	●		●	●		●	●	●	●	●	●
Corporate Governance	Corporate Governance and Ethics	Governance	• GRI 205: Anti-corruption 2016 • GRI 206: Anti-competitive Behavior 2016	●		●	●		●	●	●	●	●	●
Supply Chain Management	Corporate Governance and Ethics	Governance	• GRI 308: Supplier Environmental Assessment 2016 • GRI 414: Supplier social assessment						●			●	●	●
Sustainable Finance and Investment	Corporate Governance and Ethics	Governance	• GRI 201: Economic Performance 2016 • GRI 203: Indirect Economic Impacts	●		●			●					
Data Privacy and Security	Data Privacy and Security	Governance	GRI 418: Customer Privacy 2016	●		●		●	●	●			●	
Community Investment and Engagement	Community, Tenant, and Customer Engagement	Social Cohesion	GRI 413: Local Communities 2016		●		●				●		●	●
Tenant and Customer Engagement	Community, Tenant, and Customer Engagement	Social Cohesion	• GRI 413: Local Communities 2016 • GRI 408: Customer Privacy 2016					●				●		●
Diversity and Equal Opportunities	Talent Development	Social Cohesion	• GRI 405: Diversity and equal opportunity • GRI 406: Non-discrimination	●			●		●	●			●	
Ethical Employment	Talent Development	Social Cohesion	• GRI 409: Forced or compulsory labour • GRI 203: Indirect economic impacts	●			●		●	●			●	
Talent Attraction and Retention	Talent Development	Social Cohesion	GRI 404: Training and education	●	●									
Training and Development	Talent Development	Social Cohesion	GRI 404: Training and education	●										
Building Materials	Climate Resilience	Environment	GRI 301: Materials 2016	●		●		●	●	●		●	●	●
Climate Adaptation and Resilience	Climate Resilience	Environment	GRI 201: Economic performance 2016	●		●	●	●	●	●		●	●	●
Emissions	Climate Resilience	Environment	GRI 305: Emissions 2016	●		●		●	●	●		●	●	●
Energy	Climate Resilience	Environment	GRI 302: Energy 2016	●		●		●	●	●		●	●	●
Green Building	Climate Resilience	Environment	• GRI 301: Materials 2016 • GRI 417: Marketing and labelling	●		●	●	●	●	●	●	●	●	●
Biodiversity	Circularity	Environment	GRI 101: Biodiversity 2024	●		●	●	●	●	●		●	●	●
Waste	Circularity	Environment	GRI 306: Waste 2020				●	●				●	●	●
Water Resources	Circularity	Environment	GRI 303: Water and Effluents 2018				●	●	●			●	●	
Customer Health, Safety, and Wellbeing	Health, Safety, and Wellbeing	Wellness	GRI 416: Customer Health and Safety 2016				●	●						
Occupational Health, Safety, and Wellbeing	Health, Safety, and Wellbeing	Wellness	GRI 403: Occupational Health and Safety 2018	●					●				●	
Innovation	Innovation	Innovation	/	●	●	●	●	●	●	●		●	●	●
Technology	Technology	Technology	/	●	●	●	●	●	●	●		●	●	●

Global Reporting Initiative Standard Content Index

GRI Standard		References and Remarks
GRI 1: Foundation 2021		
Statement of Use: Nan Fung Group Holdings Limited has reported in accordance with the GRI Standards for the period 1 April 2025 to 31 March 2026		
GRI 2: General Disclosures 2021		
2-1	Organisational details	About Nan Fung
2-2	Entities included in the organisation's sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	Performance Summary
2-5	External assurance	Verification Statement
2-6	Activities, value chain and other business relationships	About Nan Fung
2-7	Employees	Performance Summary
2-8	Workers who are not employees	Supply Chain Management
2-9	Governance structure and composition	Corporate Governance and Ethics
2-10	Nomination and selection of the highest governance body	Corporate Governance and Ethics
2-11	Chair of the highest governance body	Corporate Governance and Ethics
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance and Ethics
2-13	Delegation of responsibility for managing impacts	Corporate Governance and Ethics
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance and Ethics
2-15	Conflicts of interest	Corporate Governance and Ethics
2-16	Communication of critical concerns	Corporate Governance and Ethics
2-17	Collective knowledge of the highest governance body	Corporate Governance and Ethics
2-18	Evaluation of the performance of the highest governance body	Corporate Governance and Ethics
2-19	Remuneration policies	Relevant information is selectively disclosed due to confidentiality considerations
2-20	Process to determine remuneration	Relevant information is only for internal reference due to confidentiality considerations
2-21	Annual total compensation ratio	Relevant information is only for internal reference due to confidentiality considerations
2-22	Statement on sustainable development strategy	Relevant information is only for internal reference due to confidentiality considerations
2-23	Policy commitments	Message from the Board
2-24	Embedding policy commitments	Corporate Governance and Ethics
2-25	Processes to remediate negative impacts	Policies and Guidelines
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance and Ethics

GRI Standard		References and Remarks
2-27	Compliance with laws and regulations	Corporate Governance and Ethics
2-28	Membership associations	Corporate Governance and Ethics
2-29	Approach to stakeholder engagement	Awards, Building Certifications, and Professional Memberships
2-30	Collective bargaining agreements	Materiality
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Materiality
3-2	List of material topics	Materiality
Corporate Governance and Ethics		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Corporate Governance and Ethics
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Relevant information is only for internal reference due to confidentiality considerations
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Financial Disclosures
201-3	Defined benefit plan obligations and other retirement plans	Relevant information is only for internal reference due to confidentiality considerations
201-4	Financial assistance received from government	Relevant information is only for internal reference due to confidentiality considerations
GRI 205: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Corporate Governance and Ethics
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance and Ethics
205-3	Confirmed incidents of corruption and actions taken	Corporate Governance and Ethics
GRI 206: Anti-Competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Corporate Governance and Ethics
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management
308-2	Negative environmental impacts in the supply chain and actions	Relevant information is only for internal reference due to confidentiality considerations
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Relevant information is only for internal reference due to confidentiality considerations

GRI Standard		References and Remarks
Data Privacy and Security		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Data Privacy and Security
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security
Community, Tenant, and Customer Engagement		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Community, Tenant, and Customer Engagement
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programmes	Community, Tenant, and Customer Engagement
413-2	Operations with significant actual and potential negative impacts on local communities	The Group is not aware of any operations with significant actual and potential negative impacts on local communities
Talent Development		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Talent and Organisational Development
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Ethical Employment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention
401-3	Parental Leave	Performance Summary
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Performance Summary
404-2	Programs for upgrading employee skills and transition assistance programs	Talent and Organisational Development
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Summary
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Performance Summary
405-2	Ratio of basic salary and remuneration of women to men	Relevant information is only for internal reference due to confidentiality considerations
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Ethical Employment
GRI 408: Child Labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	· Supply Chain Management · Ethical Employment
GRI 409: Forced or Compulsory Labour 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	· Supply Chain Management · Ethical Employment

GRI Standard		References and Remarks
Climate Resilience		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Climate Resilience
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Performance Summary
301-2	Recycled input materials used	Performance Summary
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Performance Summary
302-2	Energy consumption outside of the organisation	Performance Summary
302-3	Energy intensity	Performance Summary
302-4	Reduction of energy consumption	Climate Resilience
302-5	Reductions in energy requirements of products and services	Climate Resilience
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	· Climate Resilience · Performance Summary
305-2	Energy indirect (Scope 2) GHG emissions	· Climate Resilience · Performance Summary
305-3	Other indirect (Scope 3) GHG emissions	· Climate Resilience · Performance Summary
305-4	GHG emissions intensity	· Climate Resilience · Performance Summary
305-5	Reduction of GHG emissions	· Climate Resilience · Performance Summary
305-6	Emissions of ozone-depleting substances (ODS)	The Group will continue to review data availability and explore the feasibility of enhancing disclosure over time
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	· Climate Resilience · Performance Summary
GRI 417: Marketing and Labelling		
417-1	Requirements for product and service information and labelling	Climate Resilience
417-2	Incidents of non-compliance concerning product and service information and labelling	The Group meets all requirements for product and service information and labelling in line with applicable regulations and environmental building assessment schemes
417-3	Incidents of non-compliance concerning marketing communications	No significant incidents of non-compliance relating to marketing communications were identified

GRI Standard		References and Remarks
Circularity		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Circularity
GRI 101: Biodiversity 2024		
101-1	Policies to halt and reverse biodiversity loss	The Group addresses nature- and biodiversity-related considerations through existing environmental management approach and continues to assess opportunities to strengthen its approach to managing nature- and biodiversity-related impacts and dependencies
101-2	Management of biodiversity impacts	Nature-related Financial Disclosures
101-3	Access and benefit-sharing	The Group will continue to monitor evolving project types, geographic exposure and regulatory developments, and will review the applicability of this disclosure as the Group's nature- and biodiversity-related management approach develops
101-4	Identification of biodiversity impacts	Nature-related Financial Disclosures
101-5	Locations with biodiversity impacts	Nature-related Financial Disclosures
101-6	Direct drivers of biodiversity loss	The Group will continue to monitor evolving project types, geographic exposure and regulatory developments, and will review the applicability of this disclosure as the Group's nature- and biodiversity-related management approach develops
101-7	Changes to the state of biodiversity	The Group will continue to monitor evolving project types, geographic exposure and regulatory developments, and will review the applicability of this disclosure as the Group's nature- and biodiversity-related management approach develops
101-8	Ecosystem services	Nature-related Financial Disclosures
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water Stewardship
303-2	Management of water discharge-related impacts	Water Stewardship
303-3	Water withdrawal	The Group's water withdrawal refers to water obtained from municipal water supplies for direct operational use such as flushing and cleaning. As the Group does not directly extract surface water or groundwater, disclosure by source is considered not applicable
303-4	Water discharge	· Water Stewardship · Performance Summary
303-5	Water consumption	· Water Stewardship · Performance Summary
GRI 306: Waste 2020		
306-1	Waste generation and significant waste related impacts	Waste Management
306-2	Management of significant waste-related impacts	Waste Management
306-3	Waste generated	· Waste Management · Performance Summary
306-4	Waste diverted from disposal	· Waste Management · Performance Summary
306-5	Waste directed to disposal	· Waste Management · Performance Summary

GRI Standard		References and Remarks
Health, Safety and Wellbeing		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Health, Safety, and Wellbeing
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Health, Safety, and Wellbeing
403-2	Hazard identification, risk assessment, and incident investigation	Workplace Wellness
403-3	Occupational health services	Workplace Wellness
403-4	Worker participation, consultation, and communication on occupational health and safety	Workplace Wellness
403-5	Worker training on occupational health and safety	Workplace Wellness
403-6	Promotion of worker health	Workplace Wellness
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace Wellness
403-8	Workers covered by an occupational health and safety management system	Health, Safety, and Wellbeing
403-9	Work-related injuries	Workplace Wellness
403-10	Work-related ill health	Workplace Wellness
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	· Health, Safety, and Wellbeing · Tenant, Customer, and Community Wellness
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health, Safety, and Wellbeing
Innovation		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Innovation
Technology		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Technology

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