



## Governance as the Foundation to Set Our Core Principles

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**92.8%**

Of annual sustainability KPIs achieved

**1<sup>st</sup>** Sustainable Finance Framework

Published in alignment with Hong Kong Taxonomy and Common Ground Taxonomy

**5-star & Global Sector Leader**

In the 2025 GRESB

**B Rating**

In CDP's Climate Change Assessment 2024

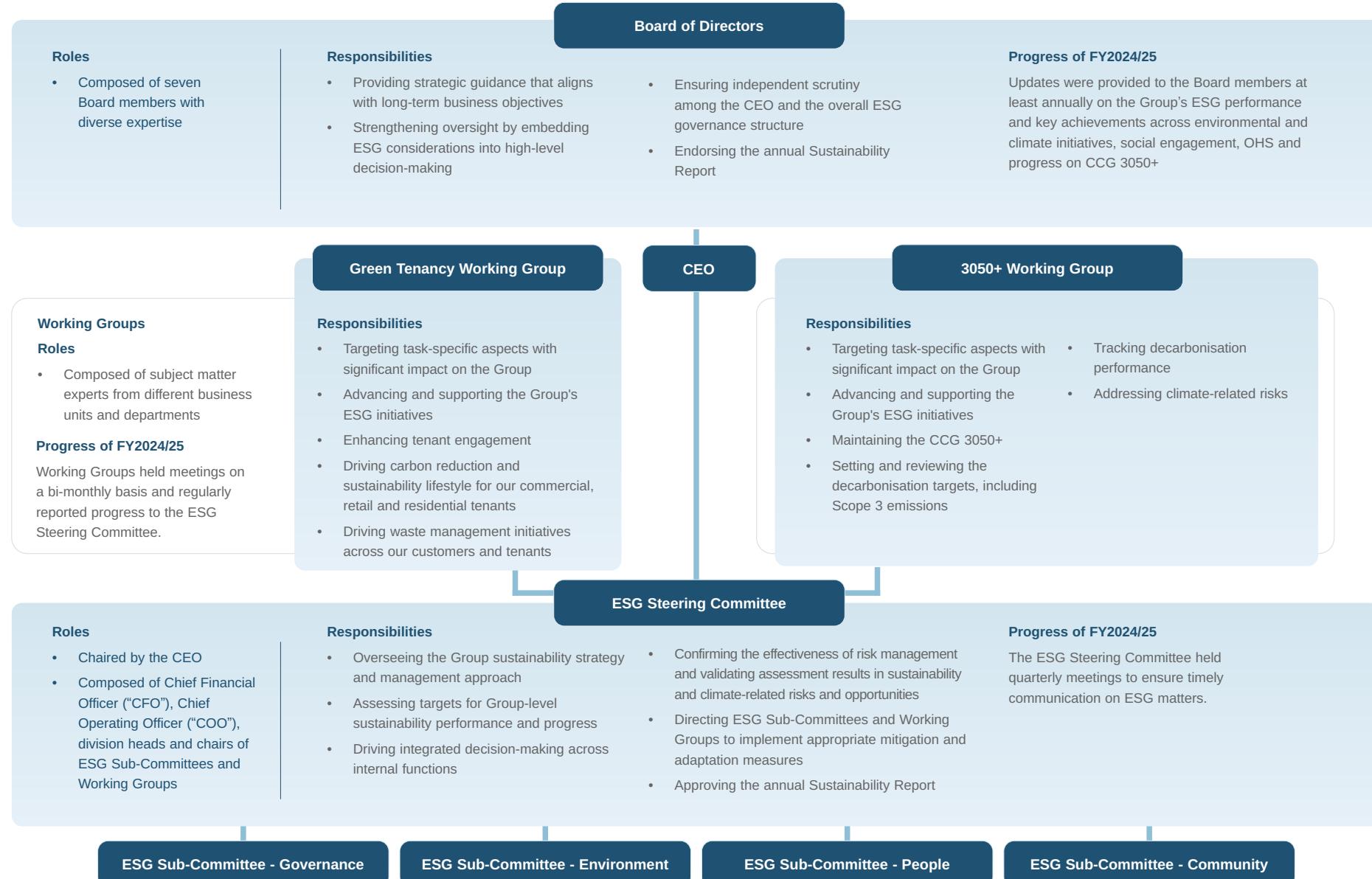
## Setting High Standards of ESG Governance

Reaffirming our commitment to upholding the highest standards of governance and accountability, we have further enhanced our corporate governance structure to support the integration of ESG principles. As part of this enhancement, the Board has assumed the responsibilities previously held by the Executive Committee, reinforcing Board-level oversight and strategic direction. Our Board comprises members with diverse backgrounds, skills, knowledge, and experience, fostering robust decision-making through the integration of multi-dimensional perspectives.

Guided by CCG's core values, we have incorporated ESG considerations into business operations and governance. The revitalised ESG governance structure has been established to oversee sustainability matters through a leadership-driven approach from the Board to the ESG Sub-Committees level. We equip management with the skills and competencies necessary to effectively manage sustainability and climate-related risks and opportunities.



The roles and responsibilities of the ESG governance structure and management are clearly defined through the Terms of Reference outlined below:



## ESG Sub-Committees

The four ESG Sub-Committees – Governance, Environment, People, and Community – are responsible for establishing focus areas, defining KPIs, and developing action plans for the annual commitments. The Sub-Committees facilitate the implementation and monitoring of sustainability and climate initiatives across different BUs and departments at the operational level. The ESG Sub-Committees comprise subject matter experts from a range of disciplines.

The highlighted commitment is summarised as below:

### Governance



#### Focus Area

- Sustainable Finance and Responsible Investment
- Supply Chain Management and Sustainable Sourcing
- Privacy, Data Rights and Cybersecurity
- Innovation and Collaboration

#### Key KPIs for FY2024/25

<b>≥50%</b>	of the Group's total financing facilities to be green/social or sustainability-linked
<b>≥15</b>	innovation and collaboration projects being tested/adopted/piloted/proposed
<b>100%</b>	of employees trained on Privacy, Data Rights and Cybersecurity
<b>4</b>	sharing and networking sessions provided

### Environment



- Future-Ready Buildings
- Upgrade buildings to facilitate smart operations
- Resource Management

<b>100%</b>	of suppliers acknowledged (SCOC)
<b>90%</b>	of existing buildings obtained green building certificates

### People



- Employee Advancement, Development, and Retention
- Diversity, Equity and Inclusion (DEI)
- Wellness, Health, and Safety Enhancement
- Enhancement of Stakeholder Engagement

<b>≥17.3</b>	training hours received per employee
<b>≥3</b>	DEI credentials confirmed
<b>100%</b>	of employees are covered by the wellness, health, and safety support programme

### Community



- Elderly Care and Support for Ageing Population
- Health and Wellness
- Sustainable Cities and Communities

<b>≥60%</b>	of annual donations to projects/NGOs that benefit the elderly and cross-generational integration
<b>≥84,000</b>	people served/engaged by activities/events organised by CCG

2 pilot projects were evaluated for their social impact

During the Reporting Period, each ESG Sub-Committee worked to address key priorities, including climate change, sustainable financing, technology, employee development, and creation of positive social impacts. These discussions culminated in:

**14** KPIs

**92.8%** achieved

**47** action items in total

**97.9%** completed

## ESG Department

Established in 2022, the ESG Department drives the sustainability agenda for the entire Group. Led by the Senior Associate Director of ESG, the Department is responsible for formulating the Group's ESG strategy, coordinating training sessions and providing support in developing, executing, and monitoring the sustainability goals, KPIs, and action plans. Additionally, the Department oversees ESG benchmarking, disclosure, and stakeholder engagement initiatives to ensure alignment with global standards and practices. Through its cross-functional coordination and oversight, the ESG Department ensures that sustainability is embedded across the Group's operations and decision-making processes.

## Compliance & Our Sustainability-Related Policies & Guidelines

Recognising the significant risks and opportunities related to sustainability that impact our businesses, we have established a comprehensive set of sustainability-related policies, procedures, and guidelines to govern our operations and value chain. These policies are regularly reviewed to ensure compliance with regulatory requirements, alignment with best practices, and adherence to market benchmarking. Selected policies require endorsement from the Audit and Risk Committee and final approval from the Board.

### Environmental

#### Climate Change Policy

Establishes principles for addressing climate change through adaptation and mitigation strategies, aiming to reduce GHG emissions across the business model and value chain

### Social

#### Equal Opportunities Policy

Sets out the guiding principles for equal opportunities of the Group, in accordance with the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance, and the Race Discrimination Ordinance. It also outlines the escalation and investigation procedures in the event of complaint received

#### Group Human Resources Management Policy

Defines the principles of Human Resources Management for the Group and governs HR procedures and guidelines

#### Occupational Health and Safety Policy

Outlines principles for managing OHS to ensure a safe and healthy workplace for all for all employees across all operations and contractors under the Group's supervision

### Governance

#### Sustainability Policy

Outlines the Group's guiding principles and sustainability practices, including building staff capacity to perform tasks in an environmentally responsible manner and promoting strong environmental performance among our business partners, suppliers, contractors, and subcontractors

#### Chinachem Group Sustainable Finance Framework

Details the Group's decision-making on sustainable financing, guiding investments in projects that align with environmental and social goals

#### ESG Due Diligence Checklist for M&A

Provides a structured process for evaluating M&A opportunities, incorporating ESG considerations

#### Sustainable Investment Guidelines

Provides a framework for making investment decisions that integrate ESG considerations alongside financial returns

#### Sustainable Procurement Guidelines

Details principles for sustainable procurement to support the Group's environmental and social objectives

#### General Procurement Principles

Sets standards for procurement activities across the Group, applicable to all goods and services, to ensure consistency and accountability

#### Sustainable Design and Procurement Manual

Provides guidance on integrating sustainability elements into all new and significant alteration and addition works ("A&A") projects. It promotes the adoption of sustainable design practices, green construction methods, and high-energy-efficient and smart systems to achieve carbon neutrality

#### Project Procurement Policy

Governs procurement for development projects, ensuring compliance with industrial procurement standards and overseeing the tendering process for consultants, contractors, and suppliers

#### Supplier Code of Conduct

Defines the standards and expectations that suppliers must meet to align with the Group's sustainability objectives

#### Information Security Policy

Establishes a framework for maintaining appropriate security levels for systems and assets, ensuring employees understand their responsibilities in protecting information confidentiality, integrity, while providing timely and reliable access to authorised users

#### Risk Management Policy

Standardises the Group's approach to risk management, including risk identification, classification, assessment, response, and monitoring

#### Whistle-blowing Policy

Establishes standardised procedures for reporting and addressing suspected serious misconduct, malpractice, or irregularity within the Group

The ESG and Legal Departments collaborated with internal functions across the Group to assess ESG compliance about the management of risks associated with corruption, bribery, cybersecurity, discrimination, harassment, and environmental pollution. During the Reporting Period, the Group has not been subjected to significant fines or non-monetary sanctions due to non-compliance with relevant laws or regulations. We are not aware of any breaches of the Code of Conduct or substantial violations of corruption, bribery, discrimination, harassment, customer privacy, data protection, conflicts of interest, money laundering, or insider trading.

## Stakeholder Engagement & Double Materiality Assessment

### Engaging with Our Stakeholders

We prioritise regular and meaningful communication with our key stakeholders to understand their perspectives and expectations on sustainability. By leveraging diverse communication channels, we foster collaboration and align our sustainability initiatives with the priorities of our stakeholders. The table below summarises our engagement modes for key stakeholder groups, including colleagues, customers, suppliers, industry associations, non-governmental organisations, and industry experts.



#### Activities & Events

- Chinachem Group Sustainability Conference
- Stakeholder engagement exercises
- Training sessions
- Mall events and promotions
- Organisational memberships
- Community Service and Volunteering Activities
- Company Recreational Activities and Events
- Government Campaign Signatories
- Collaboration with local university for training and research projects
- Media gatherings
- Corporate donations



#### Forums & Meetings

- Townhall meetings
- Leadership presentations
- Committee and Working Group meetings
- Consultative groups
- Project partnerships



#### Surveys

- Employee surveys
- Customer satisfaction surveys
- Property owner satisfaction surveys
- Property services satisfaction surveys



#### Publications & Communication Channels

- Chinachem Sustainable Finance Framework
- Sustainability Report
- Press releases
- Intranet and Viva Engage
- Company website and owned social media
- e-Learning platforms
- Life+ Magazine
- Environmental message cards
- Face-to-face engagements
- Loyalty membership programme
- Mobile Applications



The assessment result was aligned and linked with material impacts, risks, and opportunities ("IROs"):

### Energy Use & Conservation

- Opportunities to reduce operating costs due to the reduction in energy consumption
- Build up reputation regarding the compliance with energy efficiency standards and efforts made in low-carbon economy transition
- Attract environmentally conscious tenants
- Minimise our environmental impact and conserve resources



### Management of IROs

- Establish our CCG 3050+ plan, with a dedicated Working Group to drive environmental management initiatives for CCG
- Commit to reducing operational carbon intensity in Scope 1 and 2 by 51.8% by 2030
- Explore and adopt innovation and renewable energy solutions across our new and existing projects
- Plan a range of decarbonisation projects, such as replacement of chillers, heat pumps and other critical infrastructure upgrades, to enhance efficiency of our building portfolio

### Reference Section

Accelerating Our Green Transformation

### Tenant & Customer Engagement

- Increase customer retention
- Advance the development of green tenancy to promote green practices and initiatives
- Deliver quality products and services by addressing stakeholders' needs and concerns



### Management of IROs

- Launch a loyalty programme of CCG hearts and a mobile application of "My Places by Chinachem Group"
- Conduct regular tenant and customer engagement
- Implement rigorous quality assurance protocols to maintain excellence in our products and services

### Reference Sections

Promoting Sustainability to Our Stakeholders through Collaboration

Ensuring Customer & Tenant Satisfaction through Service Excellence

### Sustainable Buildings

- Pursuit of green building certifications presents opportunities for property value appreciation and market appeal for increasing return on investment
- Mitigate compliance risks and save regulatory cost
- Minimise environmental footprint and save operating cost through deploying sustainable building features and technologies
- Improve wellbeing of our residents



### Management of IROs

- Adopt sustainable designs and systems in our new and major A&A projects, including passive building designs, natural ventilation, BIM, MiC, smart IoT systems, and MiMEP
- Set commitment to green building as driven by Sustainable Design and Procurement Manual
- Commit to achieving at least the second-highest rating of sustainability certification for all newly development projects

Reference Section

Demonstrating Green Building Leadership

### Waste Management

- Prepare for stricter regulations on waste management
- Safeguard public health and promote a cleaner environment through waste reduction



### Management of IROs

- Introduce waste management protocol and solutions for our business segments
- Implement joint waste management initiatives in collaboration with tenants

Reference Section

Accelerating Our Green Transformation

### Corporate Governance

- Promote sustainable growth for both the Group and the stakeholders it serves
- Reduce potential economic loss from identified risks
- Improve financial impact and increase long-term profitability by identifying opportunities



### Management of IROs

- Secure the highest corporate governance standard
- Set up dedicated ESG governance structure to oversee sustainability matters for strategic decision-making
- Identify, assess, and mitigate a wide range of sustainability- and climate-related risks and opportunities

Reference Section

Building Our High Standards of ESG Governance

Following the review and endorsement by the Board and senior management, the priority material topics and IROs have been integrated into our strategic planning and decision-making processes. The results from stakeholder engagement and the double materiality assessment serve as a foundation for identifying action items and KPIs in FY2024/25, ensuring that we align with stakeholder expectations and sustainability goals.

The annual Chinachem Group Sustainability Conference serves as our flagship stakeholder engagement programme, bringing together local and international thought leaders in a forum where ideas are shared, solutions explored, and meaningful change is driven for pressing and emerging sustainability issues.

Case Study

### Chinachem Group Sustainability Conference 2024



The Chinachem Group Sustainability Conference 2024, co-organised by BEC and HKGBC, adopted the theme, "Integrating Sustainability Solutions Towards a Resilient Future". Showcasing our unwavering commitment to supporting Hong Kong and the industry in pursuing a sustainability journey, the CCG Sustainability Conference attracted over 5,000 participants, contributing to a sustainable future for Hong Kong.

The conference brought together 12 advisory panel members and 52 guest speakers to lead 13 thought-provoking sessions. These sessions explored interconnected solutions across three pivotal topics: climate change, sustainable financing, and impact

investment. Additionally, CCG organised guided tours of its flagship CSR project, Nina Park, providing practical insights into how CCG integrates sustainability, particularly green building and biodiversity considerations, into its properties.

Drawing on the insights gained from the conference, CCG, BEC and HKGBC initiated joint submissions to the Council for Carbon Neutrality and Sustainable Development ("CCNSD"). The submissions proposed actionable recommendations for the CCNSD's strategic planning and policy development, emphasising the significance of innovation, the evolving role of sustainable finance, and the multifaceted strategies for climate resilience, fostering interdisciplinary collaboration among stakeholders. The recommendations focused on two key areas:

Case Study

## Chinachem Group Sustainability Conference 2024 (cont'd)



### Climate Change

Recommendations centred on enhancing climate resilience through:

Developing integrated action plans to expand the scope of the Climate Action Plan 2050

Centralising climate data to improve decision-making

Prioritising investments in research, development, and innovation

Integrating climate change considerations into public health planning

Fostering strategic partnerships and community engagement

### Sustainable Financing & Impact Investment

Recommendations aimed to strengthen sustainable financing and impact investment by:

Enhancing sectoral support and guidance for financial institutions

Expanding the Hong Kong taxonomy to channel funds to priority sustainability sectors

Prioritising sustainable urban planning and channeling sustainable finance to build climate resilience

Promoting public-private partnerships and strategic collaborations

Improving accessibility to impact investment and focusing on raising public awareness



## Risk Management & Internal Control

Effective risk management is fundamental to maintaining CCG's integrity, ensuring business continuity, and supporting our long-term sustainable development goals.

We have established two key policies to guide our risk management approach:

- Risk Management Policy**

Defines the roles and responsibilities of division and department heads in identifying, assessing, and managing risks

- Internal Control Framework and Management Policy**

Aligned with the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), this policy ensures a structured and consistent approach to internal controls.

To reinforce these policies in practice, we conducted five internal risk management workshops in FY2024/25 with department heads across the Group. These workshops ensured colleagues' competence in risk management principles and facilitate communication regarding our risk management and internal control.

As the third line of defence, the Internal Audit Department plays a critical role in the Group's risk governance structure by providing independent and objective assurance.

### Enterprise Risk Management (ERM)

We have adopted an ERM framework that enables systematic risk identification, assessment, and management.

Led by our CFO and COO, the ERM working group collaborates closely with business units to prioritise both current and emerging risks, and to evaluate appropriate controls and mitigation strategies. As part of this process, each department regularly reviews its own risks and controls, updating the risk register to ensure accuracy and relevance. The ERM working group consolidates these updates, identifies principal risks across the Group, and reports to senior management, Audit and Risk Committee and the Board on a quarterly basis.

### Project-Level Risk Management

Recognising the importance of robust risk oversight in development and construction activities, in addition to departmental risk register, Project Department monitors project-specific risks via two key reports – Development Implementation Plan and Bi-Weekly Project Report.

#### Development Implementation Plan



Aim to identify, assess, and mitigate potential risks at an early stage, ensuring that risk considerations are embedded from project inception



**Bi-Weekly Project Review Report** is prepared by the Project-in-Charge, covering key aspects of:

- Construction site safety
- Incident recording and reporting
- Compliance with statutory and regulatory requirements

These reports are reviewed by the Project Director and CEO. In addition, the reports are submitted to Project Owners, senior management and the Board on a monthly basis. This mechanism enhances transparency, accountability, and proactive risk management throughout the entire project lifecycle.

### Climate-Related Risk Management

In response to evolving sustainability expectations and insights from our materiality analysis, we have embedded sustainability and climate-related risks into our ERM framework. Through a structured climate risk assessment, we identify and assess material climate-related risks, develop mitigation plans, and align actions with our long-term sustainable development goals. For more information, please refer to the section "Accelerating Our Green Transformation" in this report."

## Business Ethics & Integrity

The Group upholds the highest integrity and ethical standards across every aspect of its business activities, fostering compliant operations to maintain an honest, reliable, and fair reputation that drives long-term value creation. Our comprehensive policies govern important areas, including labour practices, conflicts of interest, bribery, competition and antitrust, privacy compliance, and equal opportunity. To ensure adherence, all colleagues are apprised of the operating principles and policies, with a formal written acknowledgement of these expectations upon joining the Group.

We maintain a zero-tolerance stance toward unethical behaviour across our business operations and value chain.

Key policies:

- Bribery and Illicit Advantage
- Conflict-of-Interest
- Advantage and Entertainment Policy
- Anti-Money Laundering and Counter Terrorism Financing
- Whistle-Blowing
- Confidentiality
- Equal Opportunities
- Competition

Policies are strictly enforced and incorporated into our Code of Conduct and Staff Handbook.

The Group is committed to maintaining the highest standards of openness, integrity and accountability. Colleagues are encouraged to report suspected misconduct or malpractice within the Group, including violations of the Code of Conduct, unethical behaviour, criminal activity, and other similar issues. Whistle-blowing channels are available, and all information reported through the channels is kept confidential. Employees who engage in retaliation are subject to disciplinary action. The Audit and Risk Committee is responsible for conducting a preliminary review of reports to determine the appropriate investigation or actions to be taken. Cases may be investigated internally or by external parties to ensure the most effective resolution.

During the Reporting Period, we delivered 9,000 hours of compliance and anti-bribery training to our colleagues as part of our ongoing commitment to ethical awareness. All new employees are required to complete cybersecurity awareness training, while employees participate in annual training to stay updated on best practices. We have not faced significant fines or non-monetary sanctions for non-compliance with environmental and social-related laws and regulations. Additionally, there have been no concluded legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period.

### Case Study

#### Anti-fraud Training

The Group partnered with the Hong Kong Police Force ("HKPF") to deliver an anti-fraud awareness talk attended by over 200 employees. The session provided valuable insights into emerging fraud trends and practical prevention strategies. HKPF highlighted the effectiveness of its official anti-fraud mobile application in detecting and preventing potential scams.

### Data Privacy & Cybersecurity

#### KPI for FY2024/25

**100 %**

Employees trained on Privacy,  
Data Rights and Cybersecurity

#### Performance

**100 %**

Employees trained on Privacy,  
Data Rights and Cybersecurity

In response to growing concerns about data privacy and cybersecurity, we ensure full compliance with the Personal Data (Privacy) Ordinance in Hong Kong and all relevant data privacy regulations. Throughout the Reporting Period, we recorded no material cybersecurity incidents, breaches of customer privacy, or losses of customer data.

Our business operations are governed by the Information Security Policy and the Group's Personal Data Privacy Policy, and we take the following measures to safeguard sensitive information:

	Restrict access and enhance the confidentiality of sensitive information
	Require all employees and third-party partners to protect our information and assets
	Appoint a designated Personal Data Officer to review and guide data privacy and cybersecurity strategy
	Issue a Personal Information Collection Statement to give customers transparency on how their information is being collected and used, to obtain their informed consent
	Implement proactive and reactive measures, including emergency plans, business continuity plans, audits, access controls, and minimised data collection and retention
	Mandate cybersecurity awareness training for all new employees during onboarding and annual refresher training for employees to stay updated on emerging threats and best practices
	Conduct ongoing awareness campaigns, such as phishing simulations and newsletters, to maintain cybersecurity vigilance among employees
	Require comprehensive security assessments for all newly developed customer-facing applications before deployment in production environments
	Perform periodic internal and external audits of the company's systems, policies and practices, as well as penetration testing of computer systems, to identify vulnerabilities and ensure compliance with security standards
	Conduct annual user access rights reviews for critical systems to ensure privileges align with job responsibilities
	Establish security baselines for cloud environments to ensure compliance with industry security standards and best practices
	Achieve ISO 27001 certification for Information Security Management Systems through an independent audit, verifying that our Information Security Controls meet international standards

These measures are part of our broader commitment to maintaining robust data protection, business continuity, and incident response capabilities, ensuring the data security and privacy of all stakeholders.

### Intellectual Property Rights

We are committed to protecting our intellectual property. The Group ensures the secure use and protection of its intellectual property. Specifically, Nina Hospitality details the appropriate usage, processing, and management of licensed software. All colleagues are required to promptly report any instances of non-compliance or intellectual property infringement to the relevant departments.

#### KPI for FY2024/25

**≥15**

Innovative solutions adopted or tested via proof-of-concept initiatives aimed at improving operational efficiency

#### Performance

**17**

Innovative solutions were adopted or tested for operational efficiency

- Adopted three solutions at Proptech and four solutions at Cyber Security
- Launched 10 proofs of concept

Case Study

### CCG Partners with Research Institution to Advance Green Construction with Peelable Nano Protective Coating

CCG is dedicated to driving green and technological advancement in the real estate industry. In partnership with NAMI, a leading scientific research institution, we co-developed the patented Peelable Nano Protective Coating for construction projects. This innovative nano-coating enhances the protection of both interior and exterior windows during building construction, aligns with green building principles, and improves construction quality. This solvent-free, reusable nano-coating reduces construction waste by eliminating foam board wrapping and prevents volatile organic compound ("VOC") emissions. The nano-coating can be applied to various building materials, including metal surfaces and treated wooden furniture.

We aim to further expand this sustainable construction technology to our development projects whenever feasible.



## Sustainable Financing & Responsible Investment

Our commitment to sustainable growth is grounded in the belief that the long-term prosperity of our businesses is closely tied to the well-being of the communities we serve. We prioritise strategic investments that support our business growth while balancing the needs and impacts on the environment and community. Our dedication to sustainable finance was showcased at the Sustainability Conference 2024, where we addressed Sustainable Financing and Impact Investment. As a member of HKGFA, CCG is dedicated to advancing green financial initiatives.

#### KPI for FY2024/25

**≥50%**

Of the Group's total financing facilities are green/social or sustainability-linked

#### Performance

**71.5%**

Of the Group's total financing facilities are green/social or sustainability-linked

### Sustainable Finance Framework

The CCG SF Framework updated in October 2024 from the previous Green Finance Framework, guides our financing and investment decisions to drive measurable environmental and social impacts. Reviewed every three years to align with best market practices, this CCG SF Framework was the first in Hong Kong to align with the Hong Kong Monetary Authority's Hong Kong Taxonomy for Sustainable Finance and the EU's Common Ground Taxonomy. Its credibility is enhanced through verification by ISS Corporate Solutions.

The coverage of the new framework is expanded to include social aspects in addition to environmental considerations:



The CCG SF Framework defines eligible green and social projects in 13 categories for fundraising through both bonds and loans. For each transaction, the Group commits to adhering to four core components: the use of proceeds, project evaluation and selection, management of proceeds, and reporting.

First, the use of proceeds ensures that net proceeds from Sustainable Financing Transactions ("SFTs") are exclusively allocated to fund or refinance eligible projects that meet at least one green or social category. Second, project evaluation and selection involve a collaborative process with cross-functional teams. Third, the management of proceeds allows transparent tracking of fund allocation. Finally, CCG is required to summarise detailed updates on project outcomes and impacts.

Each SFTs undergoes pre-issuance and post-issuance external reviews to ensure compliance, transparency, and alignment with the framework's objectives. This structured approach reinforces our ambition to be an environmentally and socially responsible business, driving sustainable development through strategic financing.

#### Allocation of Green/Social Loan and Sustainability-Linked Loan Proceeds



Case Study

## Asia's First Triple-Themed Syndicated Loan to Advance Sustainable Development



In April 2025, CCG launched Asia's first triple-themed syndicated loan, a HK\$8 billion facility integrating green, social, and SLL components. This innovative structure underscores CCG's leadership in sustainable finance, aligning with its vision to create lasting environmental and community impact while driving innovation.

The loan's uniqueness stems from its holistic approach, blending targeted funding with performance-driven incentives. The green loan supports eco-friendly projects, such as green buildings, which reduce emissions through energy-efficient designs. The SLL ties interest rates to ambitious environmental and social KPIs, including electricity intensity reduction and sustainable building certifications, fostering accountability and continuous improvement. These KPIs directly contribute to CCG 3050+, the Group's SBTs by lowering Scope 2 emissions and enhancing portfolio sustainability. The social loan supports community initiatives, aligning with UN SDGs and reinforcing CCG's ESG commitments.

This pioneering loan exemplifies CCG's strategic approach to sustainable finance: leveraging capital to drive measurable environmental and social outcomes while promoting transparency and accountability. It also establishes a new benchmark in the regional market, demonstrating how innovative financing solutions can accelerate progress toward a low-carbon, inclusive future.

## Sustainable Investment Criteria

We are committed to a responsible investment strategy that aligns with our ESG Due Diligence Checklist for M&A and Sustainable Investment Guidelines. Our sustainable investment criteria aim to build a resilient portfolio that contributes to a sustainable future, minimises risks, and delivers long-term value while adhering to robust ESG standards.

### ESG Due Diligence Checklist for M&A

When evaluating M&A opportunities for assets, we integrate ESG considerations into the decision-making process. Our ESG Due Diligence checklist assesses potential risks and opportunities across various sustainability aspects, including building safety, climate risk resilience, and energy efficiency. Compliance with building standards and carbon intensity for target assets is evaluated. Findings from the ESG Due Diligence Checklist are presented to the Strategic Investment Committee and the Board to inform acquisition decisions and guide post-acquisition actions and provisions.

### Sustainable Investment Guidelines

Our responsible investment strategy targets an average MSCI ESG Rating of BBB or above in our investment portfolio. We conduct comprehensive analyses of companies' ESG ratings and their financial indicators to evaluate overall performance. We also prioritise acquiring sustainable bonds whenever they are available from the same issuer. During the fund selection process, we conduct thorough reviews of the ESG performance and credentials of asset management firms associated with our investments. This practice forms the basis for identifying and selecting companies that meet our criteria for ESG performance and practices.

In line with our commitment to sustainable investment, we enforce strict exclusion for sectors that conflict with our values, including but not limited to:



Operation of  
Casinos



Production of  
Lethal Weapons



Production of  
Tobacco



Production of  
Pornography

## Supply Chain Management

We have robust governance and monitoring mechanisms in place that adhere to our General Procurement Principles, Procurement Management Framework, and Sustainable Procurement Guidelines. These ensure high standards of supplier performance and promote ethical and sustainable practices across our supply chain.

Number of active suppliers by geographical region:



Our extensive supply chain management process encompasses selection, ongoing monitoring, and active engagement. Suppliers are evaluated based on service accuracy, pricing competitiveness, response times, customer service quality, delivery reliability, company reputation and after-sales support. Our due diligence process ensures suppliers meet these criteria while adhering to our SCOC, which integrates ESG principles.

The SCOC outlines our expectations for sustainable practices and addresses environmental and social risks, requiring suppliers to commit to:



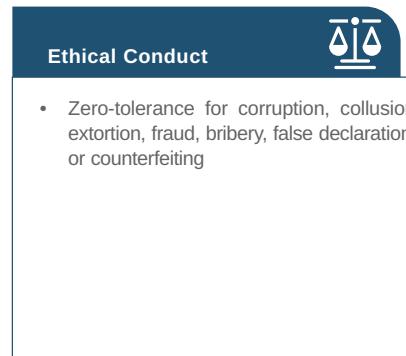
### Legal & Regulatory Compliance

- Adhere to operation, product, and service-related laws and regulations
- Suppliers should comply to The Competition Ordinance (Cap 619)



### Labour Standards

- Prohibition of forced and child labour
- Ensure legal working age
- Comply with the legal requirements on compensation and working hours
- Discrimination-free and protect labour rights
- Ensure workplace health and safety



### Ethical Conduct

- Zero-tolerance for corruption, collusion, extortion, fraud, bribery, false declarations or counterfeiting



### Responsibility

- Ensure sustainability policies are in place
- Educate employees on ethical practice
- Ensure privacy, data protection and confidentiality
- Maintain transparency

Throughout the supplier selection process, CCG requires suppliers to complete a registration form declaring their compliance with business ethics, regulatory compliance, anti-corruption measures, environmental performance, labour practices, and occupational health and safety requirements. Suppliers are encouraged to provide relevant environmental and safety certifications to support their proposals.

To monitor performance, we rely on supplier self-assessment and site visits. In the near future, we will also conduct compliance assessments to strengthen oversight and ensure suppliers meet our standards. While we reserve the right to take disciplinary action for non-compliance, our focus remains on fostering collaborative partnerships to drive continuous improvement.

## Responsible Sourcing

In alignment with the SCOC's goal to integrate ESG into the procurement process, we have a responsible sourcing mechanism that reflects our commitment across all operational levels. Our Sustainable Procurement Guidelines are designed to comply with the Green Procurement standards set by EPD of the Hong Kong SAR Government. Our Standard Operating Procedures ("SOP") for procurement also embed sustainability principles in purchasing, design, and construction processes.

Our responsible sourcing commitments highlight our collaborative efforts with suppliers to enhance sustainability, including but not limited to:

Prioritising suppliers with recognised sustainability certifications

Supporting local suppliers to minimise our carbon footprint

Implementing sustainable designs, products, and services that strive to achieve the global goal of net zero greenhouse gas emissions targets by 2050

Assessing the supply chain to ensure compliance with our sustainable procurement commitments and environmental and social standards

In addition to analysing our business segments that drive significant impacts in responsible sourcing, we have identified sustainable construction materials as well as cuisine and delicacy for targeted management:

## Sustainable Construction Materials

To deliver aesthetically appealing, functional, cost-effective, and environmentally responsible properties, we strive to reduce embodied carbon and consider the entire life cycle of building materials – from sourcing to disposal – in the design phase. To achieve this, we prioritise the use of rapidly renewable, eco-friendly, certified, and recycled materials that support circularity and minimise environmental impact.

Our Sustainable Design and Procurement Manual guides the use of certified green materials and products, as well as sustainable design principles, to reduce lifecycle emissions, promote resource efficiency, and advance sustainable construction and design practices. Oversight of sustainable material selection is jointly overseen by the Sustainable Design Committee and respective project teams, who monitor and report progress throughout the design and construction phases to ensure goals are met.

Highlighted efforts made in sustainable sourcing:



### Embodied Carbon Assessments

The estimated embodied carbon performance is calculated for all new building projects at three stages, i.e., design, before issuance of the main contract, and completion stages. The estimated results are stated in the sustainable design checklist for approval, covering impacts from raw material acquisition to on-site handling.



### Use of Recycled & Certified Materials

In the Kwai Chung Logistics Centre project, we are using sustainable timber products for temporary construction works, and will carry out exterior surfacing works that contain at least 10% recycled content.

For more details on the application of sustainable construction materials, please refer to the "Demonstrating Green Building Leadership" section of this report.

## Sustainable Cuisine & Delicacy

At Nina Hospitality, sustainability is at the heart of our culinary offerings, with a commitment to delivering dining experiences that reflect responsible sourcing and support global efforts in environmental conservation. As part of our ongoing sustainability journey, Nina Hospitality's all-day dining restaurants, Cantonese restaurant RÚ, banquet venue, and Nina Patisserie are entirely shark fin-free, aligning with our ethical sourcing standards and dedication to marine protection.

We continue to enhance our menus with a growing range of sustainably sourced products supporting responsible dining.

This Includes:



Broader selection of  
vegetarian dishes



Use of hydroponic  
vegetables that offer a lower  
environmental footprint



A healthy dining corner  
in our all-day dining  
restaurants

We also prioritise the use of sustainable seafood and actively exclude endangered species, in accordance with guidelines by WWF and the Marine Stewardship Council ("MSC").

Our signature Cantonese restaurant, RÚ, also supports the use of sustainably sourced and eco-friendly ingredients, including sustainably harvested scallops and sustainably certified cod, showcasing how Chinese cuisine can incorporate sustainable practices.

During the Reporting Period, all three of Nina Hospitality's all-day dining restaurants and Nina Patisserie transitioned to using cage-free eggs. We remain dedicated to advancing food sustainability across all aspects of our F&B operations. We will continue to explore and adopt eco-friendly practices, ensuring that our culinary offerings not only satisfy the palate but also contribute to a healthier planet.

Looking ahead, CCG plans to implement third-party compliance assessments for suppliers to ensure their adherence to the SCOC and ESG standards. With this, we aim to foster better relationships and collaboration with suppliers to drive a sustainable supply chain. Additionally, we strive to set measurable targets on increasing the use of certified sustainable materials and ingredients across operations, solidifying our commitment to responsible sourcing.



CCG has enhanced its ESG governance by introducing the Board of Directors to oversee sustainability matters. During the reporting period, 14 key ESG KPIs were set to track performance, with 92.8% successfully achieved. The Group upholds high ethical standards through robust policies and procedures that guide its operations and value chains. Sustainable finance remains integral to our strategy, with 71.5% of total financing facilities in FY24/25 classified as green, social, or sustainability-linked, enabled by the newly published CCG SF Framework. CCG also demonstrated strong regulatory compliance, with no significant fines or non-monetary sanctions related to environmental or social regulations, and no concluded legal cases involving corruption across the Group or its employees.