

*ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT 2025*
二零二五年環境、社會及管治報告



ALLIED GROUP LIMITED
聯合集團有限公司

(Stock Code 股份代號：373)

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About This Report

Allied Group Limited (stock code: 373) (the “Company” or “AGL”) and its subsidiaries (collectively known as the “Group” or “We”) is pleased to present the Environmental, Social and Governance (the “ESG”) Report (the “Report”) covering the period from 1st January, 2025 to 31st December, 2025 (the “Year”). The Report summarises the Group’s status in practising the concept of sustainability and corporate citizenship responsibilities. The Report also details the Group’s effort in embodying the principle of sustainable development and the performance of social governance during the Year.

Scope of the Report

The Report details the Group’s overall environmental and social policies for the operations of its businesses in the Mainland China (“Mainland China”), the Hong Kong Special Administrative Region (“HKSAR” or “Hong Kong”) of the People’s Republic of China (“PRC”) and Australia. The Company acts as an investment holding company and provides corporate management services. The principal subsidiaries are involved in investment and finance, property development, property investment, property management, investment and operation of hospital, eldercare and health-related businesses, and corporate and other operations. The Report and its environmental and social key performance indicators (“KPIs”) covered the performance of the Group’s major offices and branches during the Year. The scope is determined on whether the Group has operational control over the entity, and excludes business divisions without physical operations or associated joint venture companies which the Group has no control over their operations. Unless otherwise indicated, the Report covers the offices and branches from the units below and their subsidiaries:

Allied Group Limited
 Sun Hung Kai & Co. Limited (“SHK”)
 United Asia Finance Limited (“UAF”)
 Sun Hung Kai Credit Limited (“SHK Credit”)
 Tian An China Investments Company Limited (“TACI”)
 Tian An Australia Limited
 Asiasec Properties Limited
 Tian An Medicare Limited (“TAMC”)

Reporting Standard

The Report is prepared and disclosed by the Group in accordance with the mandatory disclosure requirements and “Comply or Explain” provisions outlined in the Environmental, Social and Governance Reporting Code (the “ESG Code”) set out in Appendix C2 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reporting Principles

The preparation of this Report strictly adheres to the reporting principles of “materiality”, “quantitative”, “balance” and “consistency”.

MATERIALITY

The Report is prepared by engaging stakeholders and conducting materiality assessments, including identifying ESG-related issues, collecting and examining the opinions from internal management and different stakeholders, evaluating the relevance and importance of the issues, as well as formulating and reviewing the data reported. The Report comprehensively covers the material issues concerned by different stakeholders.

QUANTITATIVE

The Report discloses the quantitative environmental and social KPIs, presenting the ESG performance of the Group comprehensively. The standards, methods, reference data and sources of information of the major emissions, as well as the conversion factors used by its KPIs, are listed in the Report.

BALANCE

The Company has sought with the assistance of an independent third-party consulting firm, to present an unbiased overview of the Group’s ESG performance without inappropriate use of selections, omissions, or other forms of presentation that may influence the reader’s decision or judgement.

CONSISTENCY

To facilitate the comparison of the ESG performance over the years, the Group adopted the same calculation methods as far as reasonably practicable. Where there is any change in the methods, the Group also presents and explains in detail in the corresponding sections. For the Year, there is no change in the calculation method as compared to the previous years.

Board Statement

The Group believes that establishing sound ESG principles and practices will help to increase the investment value of an enterprise and provide long-term returns to its stakeholders. The board (the “Board”) of the directors (the “Directors”) of the Company oversees the Group’s ESG vision, objectives, strategies and risk management and takes up the ultimate responsibility of the Group’s ESG performance, including the management of ESG issues, target-setting and progress of ESG commitments. Under the supervision of the Board, the management is responsible for monitoring and reviewing whether the ESG-related matters complied with the applicable laws and regulations, reviewing ESG-related information annually, as well as assessing ESG work progress and the content and quality of ESG Report and report to the Board.

During the Year, the Company has commissioned an independent third-party consulting firm to assist in identifying ESG matters and providing suggestions for the ESG performance of the Group. The consulting firm assisted in collecting and analysing the comments on ESG matters from the Group’s stakeholders and conducting a materiality assessment. Results of the assessment have been duly considered when identifying the material ESG matters of the Group to be reported. Channels for stakeholder communication have also been reviewed regularly to ensure that the Company maintains effective communication with stakeholders.

To effectively supervise and promote the ESG development, the Board continuously monitors ESG-related work and keeps track of the latest regulations on ESG disclosure issued by the Stock Exchange, ensuring close cooperation among departments, and achieving the goals of the compliant operation and social responsibilities. Based on the goals formulated, relevant systems and policies and the status of execution are reviewed regularly, and the coordination and management of ESG matters are also closely monitored.

Stakeholder Engagement

The Group believes that stakeholders' engagement and their continuous support are important for the long-term development of an enterprise. The Group has communicated with the stakeholders to improve its sustainable development strategy and achieve various sustainable development goals. As such, we have adopted a variety of communication methods to allow stakeholders from different sectors to express their opinions and suggestions. We have also responded to the stakeholders' expectations and concerns via different channels to improve our ESG performance and future development strategies.

Stakeholder	Requirement and Expectation	Communication and Response
Governments and regulatory bodies	<ul style="list-style-type: none"> • Compliance with national policies, laws and regulations • Supporting local economic growth • Driving local employment • Tax payment in full and on time 	<ul style="list-style-type: none"> • Mandatory local and regional reporting requirements • Examinations and inspections • Site visits and meetings
Shareholders and investors	<ul style="list-style-type: none"> • Corporate governance • Diversity and inclusivity • Enhancement in company core value • Financial and investment stability • Information transparency and effective communication • Compliant operation • Ethical business operation 	<ul style="list-style-type: none"> • Annual and interim reports • General meetings • Public notices and announcements • Company websites • Media release
Suppliers and partners	<ul style="list-style-type: none"> • Operations with integrity • Fair competition • Fair supplier selection process • Performance of contracts • Mutual benefits and win-win cooperation • Stable and qualified products and services 	<ul style="list-style-type: none"> • Tendering meetings • Institutional visits • Performance feedbacks
Customers and tenants	<ul style="list-style-type: none"> • Products and services quality • Protection of privacy • Health and safety • Operations with integrity • Performance of contracts 	<ul style="list-style-type: none"> • Customer services consultations • Communications with frontlines
Employees	<ul style="list-style-type: none"> • Training opportunities and career development • Protection of employee's information and privacy • Health and safety work environment • Rights, compensation and benefits 	<ul style="list-style-type: none"> • Training events and seminars • Meeting and briefings • Performance appraisal evaluation • Employee activities
Society and the public	<ul style="list-style-type: none"> • Social engagement and development • Environmental protection • Open and transparent information 	<ul style="list-style-type: none"> • ESG reporting • Social interactions • Community events • Company website • Public notices and announcements • Media release

Materiality Assessment

The Company had engaged an independent third-party consulting firm to assist in conducting the materiality assessment for the Year. The materiality assessment was carried out in the following three main phases:

- i. Identifying potential ESG material topics that might affect the Group's business or stakeholders' interest;
- ii. Surveying by way of questionnaires to understand the views and expectations of the stakeholders on the Group's response to and disclosure of ESG issues; and
- iii. Prioritising potential material topics based on the collected questionnaires. After the analysis of the survey results along with the judgement by the management, the Group identifies the material topics and highlights them in the Report.

By analysing the results of the survey with consideration of the actual business operation, the Group has identified a number of material topics as stated below which are disclosed in detail in the Report.

Material and relevant issues

Employment (Aspect B1)
 Health and Safety (Aspect B2)
 Labour Standards (Aspect B4)
 Supply Chain Management (Aspect B5)
 Product Responsibility (Aspect B6)
 Anti-corruption (Aspect B7)

Other relevant issues

Emissions (Aspect A1)
 Use of Resources (Aspect A2)
 The Environment and Natural Resources (Aspect A3)
 Development and Training (Aspect B3)
 Community Investment (Aspect B8)
 Climate-related Disclosures (Part D)

The Group will seek to enhance communication with its stakeholders, collect opinions from a broad range of stakeholders through various means and understand and respond to the expectations and demands of stakeholders to maintain their support. At the same time, the Group will continue to observe the reporting principles of quantitative, balance and consistency, to prepare reporting content and present information meeting the expectations of our stakeholders.

Confirmation and Approval

The information in the Report has been compiled according to the data and information obtained within the Group. The Group has established internal controls and formal review process to ensure that the information presented in this Report is as accurate and reliable as possible. This Report has been approved by the Board.

Environmental

We recognise that our influence extends to the environment and society in which we operate. For this reason, we are committed to advancing the global environmental agenda by striving to improve our environmental performance within our operations. Our Sustainability Policy sets out the commitments to mitigate environmental impacts, reduce emissions and waste, improve energy efficiency, manage paper usage and recycling, and raise environmental awareness.

The emissions of the Group's business operation were mainly related to electricity consumption. Other emission sources include petrol for Group-owned vehicles, freshwater consumption, sewage treatment, paper disposed at landfill and business air travel.

Besides, the construction-related works for our property development projects at TACI are outsourced to independent contractors who are subject to various environmental laws and regulations, including those relating to air and greenhouse gas ("GHG") emissions ("GHG Emissions"), discharges into water and land, generation of hazardous and non-hazardous waste, efficient use of energy, water and other raw materials, noise pollution control, air pollution control, water pollution control, sewage drainage system and waste treatment. We work closely with our contractors to achieve creative, elegant and green designs while being compatible and sensitive to our environmental and social responsibilities.

At TAMC, we complied with relevant environmental laws, regulations and standards, including but not limited to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Regulations on the Administration of Medical Wastes and Administrative Measures for the Licensing of Discharge of Urban Sewage into the Drainage Network. We also support environmental initiatives launched by local government, such as the Work Plan for Sorting and Collection of Household Waste was adopted.

A.1 EMISSIONS (ASPECT A1)

We recognise the importance of reducing our GHG Emissions to drive sustainable growth of our operations as well as the society. The Group's GHG sources are primarily electricity consumption and the use of the Group's vehicles.

We continued holding virtual meetings, where feasible, to reduce the need of business travel. We also perform regular vehicle assessment and maintenance, as well as check on fuel efficiency.

The Group is not involved in any manufacturing activities or directly participated in construction works. Emissions generated directly by the Group are related to executive passenger vehicles in Hong Kong and Mainland China for senior employees' local business travel. The Group also account for ambulance usage from the healthcare business, which contributes significantly to our air emissions. Air emissions generated directly by the Group related to vehicles are as follows:

Indicator	2025 gram ('000)	2024 gram ('000)
Particulate matters	39.4	128.3
SOx emission	2.7	3.2
NOx emission	797.5	1,481.4

Environmental (Cont'd)

A.1 EMISSIONS (ASPECT A1) (Cont'd)

The GHG emission (scope 1) generated from the operations that are owned or controlled by the Group was recorded for approximately 548 tCO₂e (2024: approximately 580 tCO₂e). The GHG emission (scope 2) generated indirectly by the Group related to the purchased electricity was approximately 30,784 tCO₂e (2024: approximately 28,955 tCO₂e). The use of electricity resources will be further explained in the section headed "Use of Resources (Aspect A2), and The Environment and Natural Resources (Aspect A3)".

At TACI, its property development business are primarily carried out in project offices in Mainland China. TACI complied with the relevant national and regional laws and regulations, including Environmental Protection Law of the PRC, the law of the PRC on Environment Impact Assessment, the Ambient Air Quality Standards and the Environmental Quality Standard for Noise. The majority of the hazardous and non-hazardous wastes were generated by our contracted activities subject to the contractors' own environmental statistics and management.

For property investment and property management businesses of TACI, most city offices in Mainland China are equipped with video conferencing equipment to reduce the need for face-to-face meetings and keep business travels to a minimum with the aim of reducing GHG Emissions. Only a tiny percentage of employees travel for business purposes.

At TAMC, the total amount of medical wastes, hazardous waste (sewage sludge) and biological waste generated during the Reporting Period was 91,952 tonnes (2024: 132,073 tonnes).

The healthcare facilities of TAMC are equipped with sewage treatment systems to comply with regulatory standards. These systems involve proper treatment and disinfection of medical and domestic sewage before discharge into designated drainage networks. Real-time monitoring, regular testing and maintenance are carried out to ensure the effectiveness of the systems. The hospitals collaborate with professional sewage treatment companies and consultants to meet the required standards and reduce health risks associated with sewage disposal. In 2025, no health accident caused by medical wastes was noted.

During the Year, the Group did not have any cases of material non-compliance in relation to air or GHG Emissions, discharge into water or land, and the generation of non-hazardous waste.

The Group will continue to reduce energy consumption by implementing energy-efficient infrastructure and swapping out old equipment, while promoting energy conservation habits in our working environment.

Environmental (Cont'd)

A.2 USE OF RESOURCES (ASPECT A2)

Direct and Indirect Energy Consumption

During the Year, the Group consumed approximately 183,000 litre (2024: approximately 218,000 litre) equivalent of petrol for Group-owned vehicles and approximately 51.7 million kWh (2024: approximately 51.8 million kWh) of electricity. The electricity consumption per service area was approximately 1,000 kWh per sq. ft. (2024: approximately 1,002 kWh per sq. ft.). The Group keeps track of resources and will continue to explore opportunities in conserving natural resources such as the procurement of more electrical vehicles in the coming years. Some of the electronic equipment and appliances not in use were switched off to save electricity.

The Group performs various energy saving practices aiming at improving energy performance:

- i. keeping light fixtures and lamps clean to maximise efficiency, and turning off all lights and electronic appliances when not in use;
- ii. setting the computers to automatic standby or sleeping mode when idle;
- iii. procuring energy-efficient office equipment, including those with an energy label;
- iv. carrying out regular maintenance on office equipment for optimal energy efficiency performance;
- v. turning off the power of electronic appliances, lights and air conditioners before holidays; and
- vi. reviewing the Group's internal policies and practices regularly so as to seek opportunities for integrate environmental considerations into working procedures.

A wholly-owned property of AGL joined the CLP Renewable Energy Feed-in Tariff (FiT) Scheme to generate solar energy and generated approximately 139,859 kWh (2024: approximately 135,095 kWh) of electricity and saved approximately HK\$559,436 (2024: approximately HK\$540,380) of electricity expenses for the Year.

Water Consumption

We endeavour to minimise water consumption and consume water responsibly throughout our business. The Group's total water consumption was approximately 908,000 m³ (2024: approximately 953,000 m³). The water consumption per service area was approximately 17 m³ per sq. ft. (2024: approximately 18 m³ per sq. ft.). The Group conducted routine inspection and maintenance on water taps, containers and pipelines to prevent leakage or other issues of the water supply system. Where appropriate, washroom taps are controlled by electronic sensors to manage water consumption. To reinforce water saving practices, water conservation practices are promoted through relevant reminders displayed in pantries and washrooms. No issue in sourcing water for the Group's operation had been noted in the Year.

Environmental (Cont'd)

A.2 USE OF RESOURCES (ASPECT A2) (Cont'd)

Paper Consumption

Transitioning to a paperless operation has been an ongoing exercise for the Group. We believe that digitising our operations not only reduces our reliance on traditional paperwork but also enables us to pursue opportunities for efficiency and flexibility.

We consider the importance of paper usage and we encourage practices to reduce paper usage such as:

- i. electronic bank statements and bank advice;
- ii. electronic invoices and bills;
- iii. electronic correspondences and circulation of materials; and
- iv. using internal electronic administration and communication platforms.

Electronic board paper systems have been promoted and implemented throughout the Group, allowing our directors to access meeting papers online anytime, anywhere with the use of portable devices, improving Board efficiency whilst saving paper.

The Company has for some years established an electronic communication channel with shareholders, allowing shareholders to elect to receive our corporate communications, such as annual reports, interim reports and circulars, by accessing these documents online instead of receiving hard copies. As a result, printing quantities of our corporate communications are substantially reduced and consumption of paper minimised.

SHK adheres to sourcing paper products certified by Forest Stewardship Council (“FSC”) and Programme for the Endorsement of Forest Certification (“PEFC”) whenever possible.

At UAF, the “Yes UA” and “Sim Credit Card” mobile apps facilitate a paper-free experience on loan application and help reducing carbon footprint associated with traditional paper usage. In addition, the ESG Carbon Calculator in the “Sim Credit Card” app tracks users’ carbon footprint based on spending habits, presenting data intuitively to raise awareness and encourage sustainable consumption in a light-hearted way.

Packaging Materials Consumption

Due to the nature of the business of the Group, packaging materials are insignificant to the Group.

Environmental (Cont'd)

A.3 THE ENVIRONMENT AND NATURAL RESOURCES (ASPECT A3)

The Group has implemented measures to minimise the impact of our business operation to the environment and natural resources.

For the property development business, TACI encourages and implements green design by regulating the contractors to implement various environmental protection management measures. The contractors are requested to comply with the relevant laws and regulations and are required to:

- sprinkle the construction sites regularly to reduce dust flying ground;
- wash cars and trucks when entering in and exit out of the sites;
- install temporary noise barriers and strictly follow operation hours;
- build waste water collection pipes and pools to collect household and construction waste water and ensure that hazardous waste water, if any, is properly discharged;
- separate recyclable and non-recyclable construction wastes and ensure they are properly treated;
- request to use energy-saving systems and facilities, such as solar panels, LED light, electrical sensor systems, double pane glass windows, external wall with thermally insulating material and natural lighting concept, etc, in order to meet its green design initiative; and
- promote sales leaflets instead of sales brochures to reduce paper waste, and encourage customers to obtain electronic sales brochures through Quick Response code (QR code) on the sales leaflets.

For the property investment and property management businesses of the Group, we minimise our energy consumption per service area in a sustainable manner by utilising the following eco-friendly options in operations and maintenance activities whenever possible and appropriate. These include:

- replace lights with LED lighting;
- use environmentally friendly refrigerant gases for air-conditioning units;
- place recycling bins in prominent places to encourage waste separation awareness among our employees and customers;
- carry out routine maintenance of lighting, air-conditioning and water pipe systems to prevent the loss of natural resources;
- replace air-cooling with the water-cooling air-conditioning system which achieves energy conservation;
- use more economical and efficient methods to reduce noise, dust and debris for repair and maintenance; and
- install water-efficient taps in washrooms and promote concepts of water conservation to our customers.

Except for the abovementioned, the Group's business has no direct impact on the environment and natural resources.

Social

B.1 EMPLOYMENT (ASPECT B1)

Human resources are the foundation for the development of the Group. To create sustainable growth for the Group, good recruitment and retention practices must be enforced to maintain and enlarge the talent pool. We are determined to comply with all applicable laws and regulations in the respective jurisdictions of the Group's operations. We aim to create a people-oriented management approach by implementing relevant employment policies and collecting feedback from employees. The employment policies are formally documented and listed out the details about the engagement, separation, work location and working hours, remuneration and allowances, types of leave, fringe benefits, training and development, safety precautions, arrangement under adverse weather, employee code of conduct, discipline and grievance procedure and policies related to employees. The employment policies and practices are reviewed and updated regularly and whenever there are changes in legal or regulatory requirements to ensure continuous improvements in employment standards.

Recruitment, Retention, Promotion and Remuneration

During the hiring process, the Group adheres to a legal, fair and transparent principle. The selection criteria are solely based on assessment of candidates' personal capabilities, qualifications and experience. We strive to ensure that each employee receives a fair and just assessment of their performance during the recruitment process or day-to-day work and will be rewarded according to their achievements and contributions.

We offer a competitive and comprehensive remuneration package to attract and retain talents and maintain our competitiveness. The package includes structural salary, variable bonuses, medical insurance, various leaves, etc. These are commensurable with employees' contributions to the Group. Rewards and promotions are offered for any outstanding performance. The Group conducts annual performance appraisals and salary reviews to determine any salary adjustments, discretionary bonuses and/or promotion opportunities. Various factors are evaluated, including but not limited to the employee's position, job performance, capabilities, as well as market pricing. Along with the appraisal process, we express our appreciation and recognition to staff with exceptional performance and contributions, to motivate employees to improve their work efficiency and make continuous contributions to the Company.

Compensation and Dismissal

The Group offers fair compensation packages for employees based on employees' personal capability and contribution to the Group as well as industry standards. In addition, the Group complies with the Employees' Compensation Ordinance of Hong Kong and the Labour Law of the PRC, covering employees who suffer personal injury by accident or disease arising out of the course of employment.

Unreasonable dismissal under any circumstances is prohibited. Dismissal would be based on reasonable and lawful grounds supported by internal policies. Before dismissal, verbal or written warnings will be issued to provide a fair opportunity to the employee for improvement. If no improvement is noted, the Group shall then consider disciplinary action or dismissal according to relevant laws and regulations. In the case of extreme breach of the employment agreement, the Group will retain the right to dismiss the employee without notice or payment in lieu of notice.

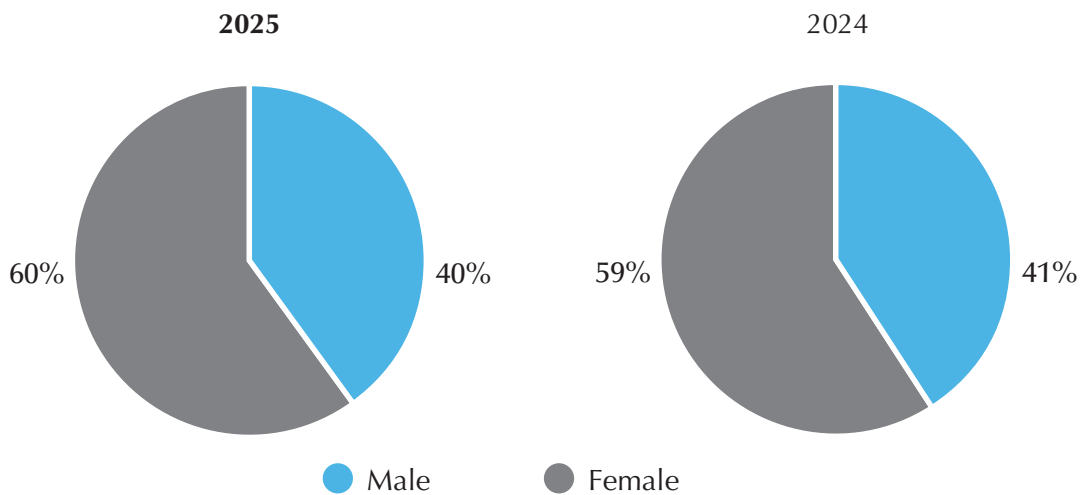
Social (Cont'd)

B.1 EMPLOYMENT (ASPECT B1) (Cont'd)

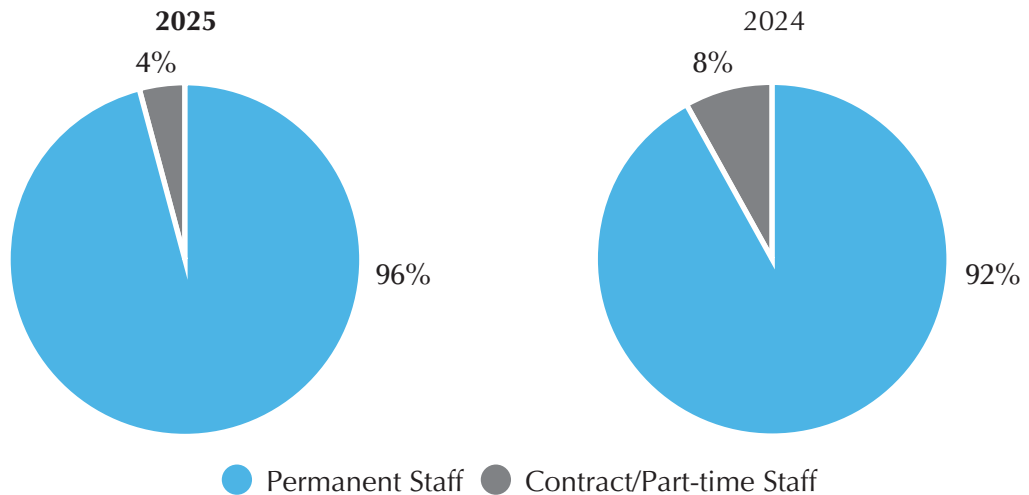
Diversity, Equal Opportunities and Anti-discrimination

We advocate a diverse, inclusive and discrimination-free workplace culture that enables people with different backgrounds to work together. Candidates and employees are entitled to equal opportunities in all aspects of employment regardless of their gender, age, religion, or ethnicity. Harassment and discrimination on the grounds of age, gender, pregnancy, disability, race, nationality or religion are not tolerated. The Group has a whistleblowing mechanism to report any suspected cases of discrimination or harassment. Employees are responsible for observing the requirements of the anti-discrimination legislation and have a responsibility to report any unlawful discrimination to the Group. Staff found guilty of such activity may face disciplinary action or dismissal. In order to build a harmonic workplace, we maintain an open dialogue with staff and facilitate two-way communications. The Group strives to protect its employees by ensuring that complaints, grievances, concerns and whistleblowing, are dealt with promptly and confidentially. During the Year, no whistle blowing incidents were reported.

Total Workforce by Gender



Total Workforce by employment category

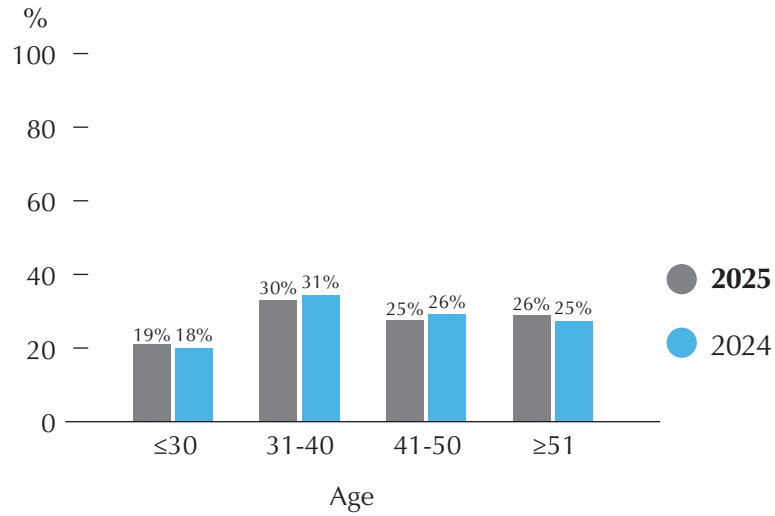


Social (Cont'd)

B.1 EMPLOYMENT (ASPECT B1) (Cont'd)

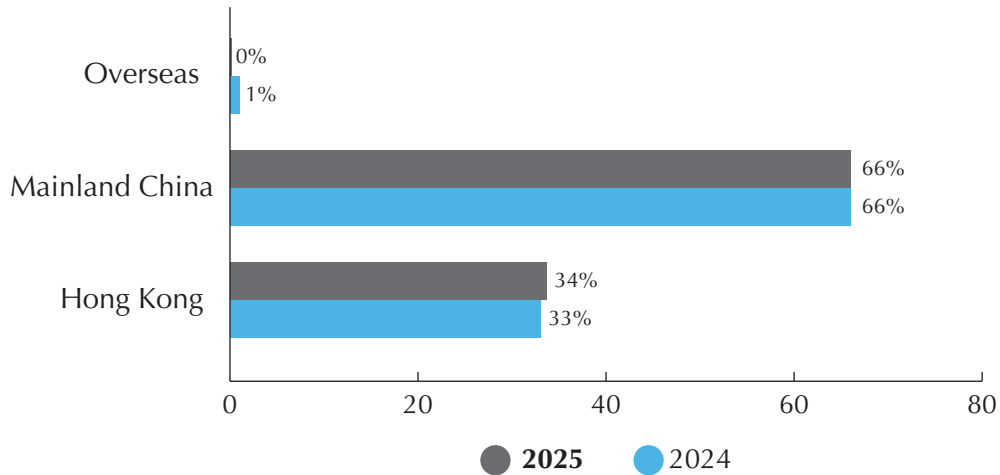
Diversity, Equal Opportunities and Anti-discrimination (Cont'd)

Total Workforce by Age Group



Note: The above tables include all employees of the Group but exclude outsourced personnel and temporary workers.

Total Workforce by Geographical Region



As at 31st December, 2025, the Group employs a total of 5,955 (2024: 5,751) employees. During the Year, 1,187 (2024: 999) employees left the Group, with a total employee turnover rate of approximately 20% (2024: approximately 17%).

Social (Cont'd)

B.1 EMPLOYMENT (ASPECT B1) (Cont'd)

Diversity, Equal Opportunities and Anti-discrimination (Cont'd)

Employee turnover rate breakdown

	2025	2024
By Gender		
Male	25%	17%
Female	17%	17%
By Age Group		
On 30 or below	18%	17%
31–40	13%	17%
41–50	11%	14%
On 51 or above	38%	21%
By Geographical		
Hong Kong	38%	28%
Mainland China	11%	12%
Overseas	14%	45%

B.2 HEALTH AND SAFETY (ASPECT B2)

The Group strictly complies with relevant laws and regulations as well as occupational health and adopts safety guidelines recommended by the Labour Department and Occupational Safety and Health Council of Hong Kong. We endeavour to create a safe, healthy, and comfortable working environment, which protects the physical and mental health of employees and minimises the risk of occupational diseases.

Workplace Safety

The Group has regular checking on safety measures in our workplace. We also encourage employees to report irregular findings and give recommendations for remedy. Employees are required to be familiarised with the location of fire-fighting equipment, fire escape routes and emergency response protocols. Safety equipment including first-aid boxes and trolleys for heavy goods are accessible in the workplace. In addition, smoking indoors is strictly prohibited.

During the Year, the Group was not aware of any material breach of the laws and regulations related to safe working environment. The Group was also not aware of any claims against the Company itself or instances of breach of laws or regulations relating to occupational health and safety standard. We have established safety precautions in our workplaces. Any work-related injuries and personal accidents that occur within and out of office hours are required to be reported. In the Year, 2,565 lost days due to work injury (2024: 2,281 days) were recorded. In addition, one work-related fatality was recorded in the past three years. Moving forward, we aim to conduct regular safety assessments to minimise workplace injuries.

Social (Cont'd)

B.2 HEALTH AND SAFETY (ASPECT B2) (Cont'd)

Physical Health

As part of our commitment to support our employees' health and wellness, we provide a medical insurance scheme to all permanent full-time employees on a non-contributory basis upon successful completion of the probation period.

B.3 DEVELOPMENT AND TRAINING (ASPECT B3)

We recognise the importance of continuing professional education and development, and appropriate courses are arranged on a periodical basis, and subsidies are granted to employees who take job-related courses. The Group actively invests time and resources in staff training and development to ensure employees have sufficient skills and knowledge to achieve the business goals and keep up to date with the industry trends in the competitive markets.

The Group promotes a culture of lifelong self-career development and encourages employees to pursue internal and external training courses and acquire job related professional knowledge and skills outside the workplace.

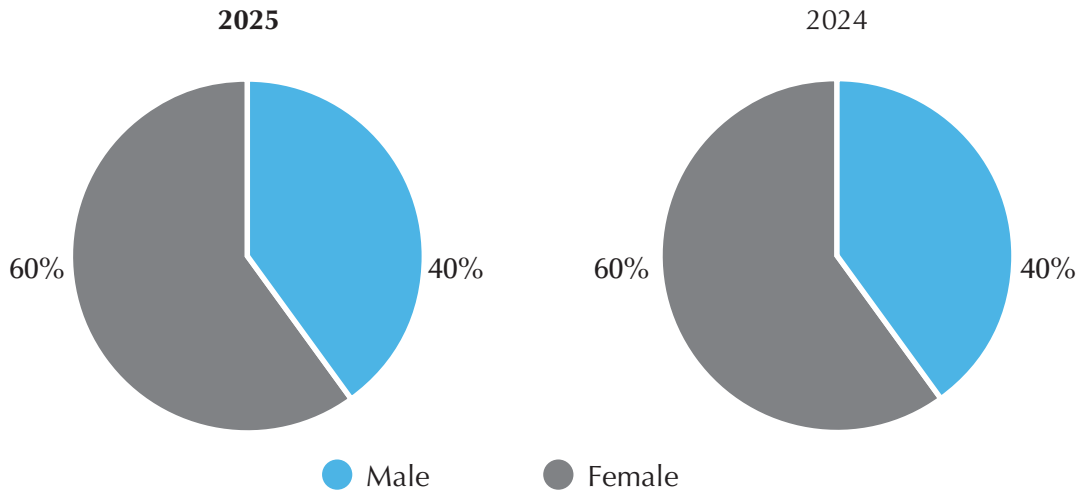
At TAMC, comprehensive training mechanisms with a designated department responsible for the development of medical and pharmaceutical staff were established. The training department is designated to plan and organise various types of trainings (areas such as medical, nursing, occupational safety, management effectiveness, crisis management, etc.) and to require all clinical and medical departments to carry out departmental trainings based at least once a month.

During the Year, approximately 59% (2024: approximately 65%) of the total employees had trained for 165,475 hours (2024: 183,522 hours) in total. The average training hours per employee was 47.05 hours (2024: 49.18 hours).

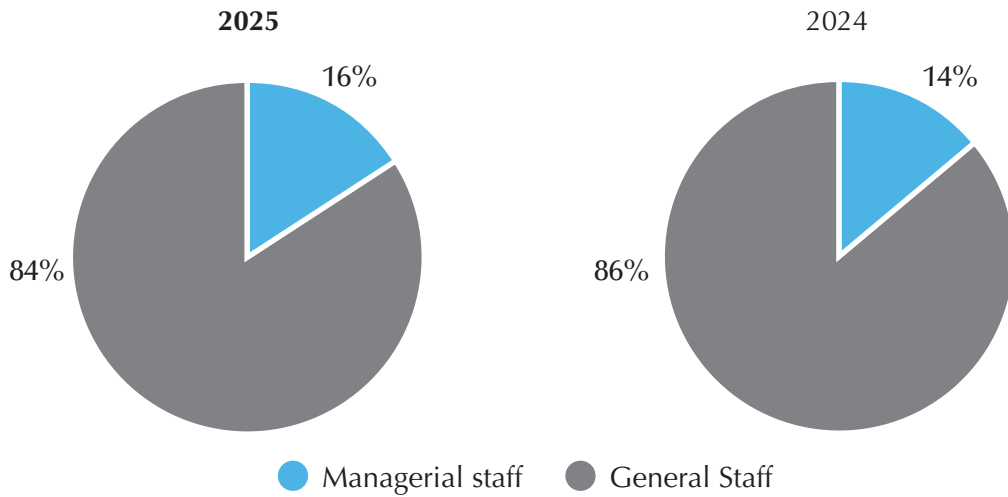
Social (Cont'd)

B.3 DEVELOPMENT AND TRAINING (ASPECT B3) (Cont'd)

Employees Trained By Gender



Employees Trained By Employee Category



Average training hours breakdown

	2025	2024
By Gender		
Male	31.07	30.81
Female	57.65	61.53
By Employee Category		
Managerial Staff	20.22	77.93
General Staff	52.35	44.51

Social (Cont'd)

B.4 LABOUR STANDARDS (ASPECT B4)

The Group abides by all applicable laws and regulations where we operate including but not limited to the Employment Ordinance, Employees' Compensation Ordinance, Minimum Wage Ordinance, Mandatory Provident Fund Schemes Ordinance, and various anti-discrimination ordinances. The relevant human resources departments of the Group companies are responsible for monitoring and ensuring compliance with the latest and relevant laws and regulations that are related to labour.

During the recruitment process, personal data collected for the selection of candidates are carefully checked and reviewed to verify the validity of the personal identification documents, while background checks may also be carried out if necessary. We ensure candidates selected are not aged below 18 and are suitable to be engaged for the position concerned. The integrity of candidates will also be considered during the selection process.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to labour standards. No case of child or forced labour was reported during the Year. For any instance of irregularity or failure to comply with relevant rules and regulations involved, corrective actions would be taken immediately to rectify the situation, terminating the employment and reporting to the relevant governmental authorities.

Operating Practices

B.5 SUPPLY CHAIN MANAGEMENT (ASPECT B5)

The Group collaborates with various suppliers and chooses them based on quality, cost, reputation, reaction time and value-added services to the Group with periodic evaluation. The Group prohibits any procurement without approval to prevent procurement manipulation. To make the best effort to reduce environmental and social risks in each process of supplier's selection, tendering and price comparison may be conducted in accordance with the principle of fairness and transparency whereas non-tendering methods for products and services must be approved under authorisation. The number of suppliers with which the Group cooperated with during the Year is 2,467 (2024: 2,336), including but not limited to those from Hong Kong, Mainland China, Singapore, the United Kingdom and the United States.

At TACI, the suppliers related to its property development is relatively significant including contractors and construction material suppliers. A strict and regulated procurement system was established which evaluates suppliers based on quality, cost, reputation, reaction time, value-added services, and environmental management. Local contractors with necessary qualifications are hired for construction work. At least three independent potential contractors and suppliers would make or be invited to make the tender for site projects, and assessments and selections are conducted during the tendering process. Qualified contractors and suppliers are selected based on comprehensive consideration of registered licenses, qualification level, relevant experience and reputation. Contractors are required to adhere to green building, energy conservation, and environmental preservation concepts. Construction contracts generally contain warranties for quality and completion time, and contractors are responsible for supervising and monitoring construction works during the defect liability period. Cost control and construction progress are closely monitored with periodic on-site inspection and stringent quality control procedures. Employees are trained in environment management skills, and contractors and suppliers are required to adhere to provisions for occupational safety, environmental practices, and social responsibility.

Operating Practices (Cont'd)

B.5 SUPPLY CHAIN MANAGEMENT (ASPECT B5) (Cont'd)

For TAMC, the suppliers related to medicines suppliers and medical equipment suppliers are significant. The supplier identification, evaluation, selection, monitoring, and improvement processes in the healthcare industry are governed by strict guidelines and criteria. Pre-qualification measures, compliance with industry regulations, and the involvement of dedicated procurement teams ensure the screening and selection of suitable suppliers. Factors such as price, quality, delivery reliability, and reputation are considered in procurement decisions. The monitoring and evaluation of authorised suppliers, including performance assessments and incident classification, are crucial for ensuring high standards. Risk management practices, such as entering into supply contracts to ensure legal protection and formulating emergency plans, are employed. Environmental protection is prioritised during supplier selection, and suppliers must have relevant qualifications and provide necessary reports. The preference for reusable materials is encouraged where possible. These processes collectively ensure the selection of qualified suppliers, mitigate risks, protect the environment, and uphold high standards in healthcare procurement.

SHK follows its Supplier Code of Conduct to perform due diligence on suppliers with an expected annual spend of over HK\$5,000,000 and monitors them throughout the procurement process. This includes assessments related to business ethics, occupational health and safety, data privacy, business continuity plan, as well as human rights practices. In alignment with the Authorised Agents Manual, UAF and SHK Credit partner with external debt collection agencies to support their loan business. Authorised agents undergo regular evaluation focusing on factors such as data management, service effectiveness and relevant compliance.

B.6 PRODUCT RESPONSIBILITY (ASPECT B6)

The Group places great emphasis on creating value for our investors and customers through providing exceptional customer experience and consistently high standards of services. We believe the enhancement of customer satisfaction is the first priority for upholding our professional service quality. Owing to the business nature of the Group, the products sold and shipped subject to recalls for safety and health reasons are not applicable to the Group.

Client Protection

Protecting the general interest of our customers is our utmost priority. Hence, we are committed to incorporating industry best practices and influencing policy development to maintain the stability of the money lending industry as well as to safeguard our customers' rights. Measures and clear guidelines are in place to ensure customer's relevant data are protected against unauthorised or accidental access, processing or erasure. Appropriate levels of security protection were implemented by appropriate physical, electronic and managerial measures to safeguard and secure customer's personal data. In addition, policies are in place to require employees to keep confidential of customer information and lays down the proper procedures of handling customer data.

UAF is dedicated to protecting its customers' financial well-being and promoting inclusivity. As a founding and executive committee member of the HKSAR Licensed Money Lender Association ("LMLA"), UAF contributed to the drafting of the Code of Money Lending Practice, which sets industry standards on customer relations, anti-money laundering, credit evaluation, debt collection and recovery, and data privacy, strengthening customer confidence and promote fair conduct across the sector. Representing the LMLA, UAF also worked with Hong Kong Association of Banks ("HKAB") and The Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies to establish the Consumer Credit Forum, a platform for discussing and formulating strategies on consumer credit-related issues in Hong Kong.

Operating Practices (Cont'd)

B.6 PRODUCT RESPONSIBILITY (ASPECT B6) (Cont'd)

Client Protection (Cont'd)

Beyond this, UAF contributed actively to HKAB-led initiatives, including the Multiple Credit Reference Agencies User Group and the development of Credit Card Smart (“CDS”), a model that broadens options for consumer credit references services. A UAF representative also served as chairman of the LMLA and supported the successful launch of CDS. In Mainland China, UAF’s lending business complies fully with the Money Lenders Ordinance, follows all regulatory guidelines for small loan companies, and meets rectification requirements related to cash loans, online small loans, and P2P lending.

For TAMC, Shanghai Municipal Medical Insurance Bureau monitors the use of drugs in hospital through the internet information platform. The quantity purchased and the quantity used must be the same, and the purchased medicines and consumables must be used up within a specific period of time. If the medicines and consumables are not used up within a specific period of time, they cannot be sold and used even within the warranty period, and patients cannot be charged through the medical insurance system. A well-established quality control system is in place to identify, assess and manage the quality issues of the medical products. Medical products are procured which are in compliance with the related regulations and standards, such as Drug Administration Law of the PRC, Regulations for the Implementation of the Drug Administration Law of the PRC, Good Manufacturing Practices for Pharmaceutical Products (2010 Revision) and Pharmacopoeia of the PRC (2015) to ensure the quality of medical products. In order to ensure traceability, the Group has assigned staff to keep track of daily inventory flows as well as maintain all relevant documents to be able to identify the products and patients involved in case of any medical incident. The Group has also designated staff with pharmaceutical knowledge to perform quality checks upon receiving medical products, manage storage condition and report to government authorities in accordance with laws and regulations.

With increasing concerns over data privacy, the Group takes serious protection of our client’s confidential information. We comply with the relevant laws and regulations including Personal Data (Privacy) Ordinance and have adequate measures in place for the protection of personal data throughout the operations and to govern the collection, storage, management, usage and disclosure of personal data given to the Group from individuals.

Customer Services & Satisfaction

The Group highly values the rights, needs and expectations of its customers, and actively seeks to develop its business by listening carefully to customer suggestions and resolving complaints and disputes in a timely manner. We serve our customers with our heart by committing to provide the investors and customers with complete product and service information so as to protect the risks and rights of individuals. Our staff are well trained to provide customers with accurate and clear product information. Furthermore, different communication channels are established, such as the official website, service hotlines, and dedicated mailboxes, to understand the customers’ expectations and suggestions for the Group’s performance. We also carry out regular checks to monitor customer service performance and identify areas for improvement.

Owing to the nature of the property development business of TACI where a high price product is involved, reputational risk monitoring and preventions are of utmost importance. TACI has various measures in place to minimise risk. Results and responses to property quality are monitored on a timely basis. TACI provides comprehensive after-sale services including handling customer complaints and supervising the repair and ongoing maintenance of the properties developed. During the defect liability period, TACI forwards the reported defects to its engineering department or contractors to follow up all substandard works. Contractors engaged for construction are tightly monitored. In addition, the project engineers examine the building materials and construction activities on a regular basis to ensure the constructors fully adhere to the relevant national rules and regulations to develop quality and safe buildings.

Operating Practices (Cont'd)

B.6 PRODUCT RESPONSIBILITY (ASPECT B6) (Cont'd)

Customer Services & Satisfaction (Cont'd)

UAF apply a structured and transparent complaint handling procedures to manage customer concerns. All feedback received by the Customer Service Department (“CSD”) is reviewed promptly, with cases assessed and addressed by staff of appropriate seniority. Response plans are tailored to the nature and seriousness of the issue, ensuring fair outcomes and accountability. During the reporting period, all complaints of UAF were resolved by the CSD and Business Administration offices with proper records.

For the loan business of UAF and SHK Credit, all marketing materials comply with applicable laws, including the Trade Description Ordinance (*Cap. 362 of the Laws of Hong Kong*) and Guidelines on Additional Licensing Conditions of Money Lenders Licence. Clear disclosures and prominent risk warnings are provided in all promotional materials. In addition, hotlines for reporting suspected non-compliant advertising are maintained and any false or exaggerated information are prohibited. Key product information and advisory documents are available on our website to help customers make informed decision.

For the property investment and property management businesses of the Group, the Group enhances the facilities and equipment to improve service quality. In addition, complaints from customers and tenants can be made to the management office by phone, email, letter, or made in person. The on-site officer will, on the basis of information given, provide immediate support if required.

TAMC conducted periodic customer satisfaction surveys to identify potential improvement areas based on customers’ feedback. All of the selling and advertising materials have been prepared in accordance with the Advertising Law of the PRC and the Measures for the Administration of Medical Advertisements. No misleading advertising statements are tolerated. A comprehensive complaint management mechanism is in place with designated staff to record and follow up the reported cases, who will also conduct timely inspection and analysis to resolve the issues.

During the Year, the complaint rate is low and all complaints have been properly resolved. All complainants accepted or were satisfied with our replies. No material litigation was recorded in respect of customers’ complaint during the Year.

Protection of Intellectual Property Rights

The Group is dedicated to protecting and respecting intellectual property rights, including but not limited to trademarks, patents and copyrights. The Group has obtained proper licenses for software, hardware and information the Group uses in its business operation. Employees are not allowed to privately use or allow outside parties to possess and exploit intellectual property unless permission has been obtained by copyright owners. Employees are required to obtain authorisation from the relevant department heads before the use of any name, slogan or mark for any product, program or service. To safeguard intellectual property, the relevant information technology department carries out periodic inspections of employees’ computers, thus ensuring that genuine software is installed.

Operating Practices (Cont'd)

B.6 PRODUCT RESPONSIBILITY (ASPECT B6) (Cont'd)

Responsible Investing

SHK has established Responsible Investment Policy which provides a framework for to achieve its commitment in incorporating responsible investment principles, which include integrating ESG considerations into investment decision-making and management practices company-wide, as well as committing to active ownership and engagement, where appropriate.

B.7 ANTI-CORRUPTION (ASPECT B7)

The Group is committed to conducting its businesses with integrity, honesty and fairness and has formulated the Code of Conduct which requires employees to maintain the highest standards of professionalism in all dealings with others. The Group believes an effective anti-corruption mechanism is a cornerstone for its sustainable growth. We have zero tolerance for any corruption, fraud, bribery, extortion, money laundering and all other behaviours violating work ethics. The Group adheres to all relevant laws and regulations relating to anti-corruption, money laundering, bribery and counter-terrorist financing. Any potential conflicts of interest that may increase the risk of bribery and bid-rigging will be constantly monitored. If there are potential or actual conflicts of interest discovered, employees are required to report to the management immediately.

During the Year, the Group was not involved in and did not notice any incident of violation of anti-corruption.

Code of Conduct and Training

The Code of Conduct on anti-corruption, handling of conflict of interest, data privacy and confidentiality are in place. The Group complies with all anti-corruption laws and regulations, including the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), and promotes employee awareness and knowledge of business ethics. During the year, the Independent Commission Against Corruption ("ICAC") was invited to deliver anti-corruption training courses to both new and existing employees in certain group companies to refresh their awareness and knowledge on the subject matter.

Whistle-Blowing Mechanism

Whistle blower policies are in place to establish a proper channel for directors, employees and those who deal with the Group to report material concern(s) regarding possible improprieties and suspected fraudulence in financial reporting, avoidance of internal control, risk management and other unlawful or dishonest practices, or wrongful conduct within the Company. Guidelines on whistleblowing are also implemented to protect and keep the identity of the director, employee or those who deal with the Group who reports fraudulent activities confidential. The relevant committee or department will investigate upon receiving any concerns raised, monitor the investigation progress, determine the necessary follow-up actions and report to the respective audit committee and the Board.

Whistle blower policies are reviewed regularly and at least annually to ensure the policy's effectiveness. Extract of the policies and reporting links have been put in the companies' websites for external parties reference and easy access. The internal audit departments of respective business units will also review the enforcement of such policies and procedures on relevant operations in the course of performing an ongoing review of the internal control systems.

Operating Practices (Cont'd)

B.7 ANTI-CORRUPTION (ASPECT B7) (Cont'd)

Prevention of Money Laundering, Bribery and Counter-Financing of Terrorism

The Group reviewed regularly relevant policies and codes of conduct regarding anti-money laundering, counter-terrorist financing policy and prevention of bribery. Procedures are in place for background investigation, due diligence and loan approvals for loan financing applications. Suspicious activities are assessed and reported and monitoring protocols for loan applications have implemented.

At TAMC, we emphasise ethical practices and have implemented a comprehensive system to ensure their proper implementation. This includes regular inspections by internal and external ethics supervisors, as well as channels for reporting concerns. Monthly joint inspections focus on various aspects of practice, and we also provide ongoing ethics education, including training on the Nine Guidelines for Integrity in the Practice of Medicine. TAMC has also introduced the “Kunming Tongren Hospital Medical Ethics Evaluation Plan” to promote integrity and self-discipline throughout the organisation. This plan requires regular self-inspections and timely submission of relevant reports from various departments. Through these measures, TAMC strives to foster a culture of integrity, transparency, and anti-corruption within our healthcare business.

During the Year, the Group was not involved in and did not notice any incident of violation of anti-money laundering-related laws and regulations and there was no concluded legal case regarding corrupt practices brought against the Group or its employees.

Community

B.8 COMMUNITY INVESTMENT (ASPECT B8)

The Group pays close attention to corporate social responsibility and regards the prosperity and stability of society as a cornerstone of its development. The Group also understands the needs of the communities where the business of the Group operates and ensure its business activities take into consideration the communities’ interests. We actively support charitable projects and public welfare activities. We also focus on inspiring our employees’ sense of social responsibility by promoting and encouraging them to participate in public welfare and charitable activities during their work and spare time. The Group will strive its best to fulfil its responsibility and mission as a corporate citizen and give back to society. During the Year, the Group continued to support the community focusing on youth development by making donations to charitable organisations and educational institutions.

We participated in various volunteering activities, including “Skip-A-Meal” to support and donate to World Vision in combating climate change by scaling up community-led environmental restoration and re-greening projects like Farmer Managed Natural Regeneration; made donation to The Community Chest of Hong Kong for every mooncake voucher purchased in the campaign of “Mooncake for Charity 2025” co-organised by The Community Chest of Hong Kong and Hong Kong Wing Wah Cake Shop. Fund raised have supported social welfare member agencies of The Community Chest.

Community (Cont'd)

B.8 COMMUNITY INVESTMENT (ASPECT B8) (Cont'd)

Since 2015, the Sun Hung Kai & Co. Foundation (“Foundation”) established by SHK has been central to community efforts, working with business partners to drive positive change. This year, we strengthened our efforts towards high-impact initiatives that uplift the vulnerable groups and empower young people. In addition, the Foundation supported families affected by the Tai Po fire through a donation to the HKSAR Government’s Support Fund for Wang Fuk Court.

For healthcare business, TAMC helps developing the healthcare industry by cultivating more medical professionals for the succession of invaluable medical knowledge, skills and experience. On the other hand, TAMC supports charitable activities and engage in a wide range of social events such as caring for the disabled or elderly, providing medical supports to the underserved, and organising health seminars and blood donations campaigns to fulfil the corporate social responsibility.

Climate Related Disclosures (Part D)

Climate change affects different dimensions of our stakeholders, business operations and our community. Despite the rise of new climate-related risks and challenges, new opportunities have also emerged. The Group has been closely analysing the impacts of climate change. The Group has categorised climate-related risk into physical and transition risks which are as follows:

PHYSICAL RISK

Acute: Extreme weather-related events including but not limited to natural disasters and typhoons may cause damage to the customer’s physical assets, which may affect the business. For instance, typhoon damage to the customer’s assets such as building property and hotel may halt the service process and may lead to their inability to operate. In addition, these extreme weather events may damage the Group’s physical assets and cause short-term disruption in its business operation. This will ultimately affect the Group’s relationship with its customers. In order to minimise the risk, the Group has established contingency measures for the majority of weather-related events. At TAMC, to carrying out timely and efficiently emergency treatment measures, extreme weather emergency treatment leading team was established to ensure the safety of patients and staff as well as normal medical treatment order within the hospitals.

Chronic: Annual incremental changes in the climate and weather pattern changes may affect the Group in the long run such as rising sea levels and temperature changes. Since the Group’s business nature is service orientated with reliance on the internet and electricity, these chronic physical risks are relatively low.

Climate Related Disclosures (Part D) (Cont'd)

TRANSITION RISK

Policy and legal risk: Although there may be regulatory changes for climate change within the business operating environment, the Group's business lines are agile and are able to adapt to the policy changes. Due to the Group's minimal carbon footprint, the impact of the potential policy and legal risk is relatively low. In the Year, the Group is not involved in any third-party litigations on climate change.

Technology risk: The gradual transition to a low-carbon economy has accelerated and increased our investment in technology. The Group is streamlining the reporting process, back-end system and mobile devices application to drive down our costs base and enhance users' experience.

Market Risk: The services arising from property management business of the Group have minimal impact from shifts in climate change. Whereas, the hotel business of the Group may suffer a relatively larger impact from climate-related changes.

Reputational risk: Throughout the Year, the Group has considered environmental measures within the business operations. This is to align the Group's environmental values with the potential changes in the public's sentiment on climate change.

By identifying key climate-related risks, the Group will be able to categorise and consider its investments better and expand integration of these risk factors into the business decision making and operations. This should help our Group to smoothly transition to thrive in a low-carbon economy.



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