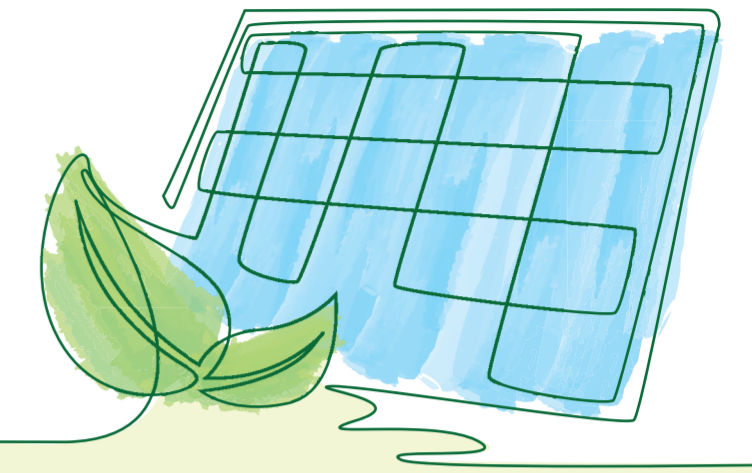


FEATURE STORY



Emission Reduction Efforts Across Our Portfolio

In property development, operational decisions significantly shape our environmental impact. As we advance towards our 2050 carbon neutrality goal, we are focusing on both strong partnerships and decisive action. In 2025, we accelerated efforts to adopt renewable energy, strengthen climate-related financial analysis, and enhance the quality and granularity of Scope 3 GHG emissions data, driving improvements in operational efficiency and overall environmental performance.



Driving Measurable Decarbonisation Progress

Achieving meaningful decarbonisation requires a clear understanding of where we stand and where we are headed. From strengthening data capabilities to sourcing renewable energy and analysing climate-related financial impacts, our approach is grounded in measurable progress and long-term resilience. Data fundamental to tracking our decarbonisation progress, and compliance with evolving disclosure requirements from regional and international bodies such as SEHK and ISSB, is gathered through different channels. As such, achieving an accurate and comprehensive view of our carbon footprint across such a diverse portfolio is a complex challenge.

Adoption of Renewable Energy

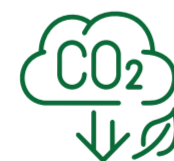
A transition to renewable energy helps to address this and marks another step towards business risk diversification. Together with a green electricity adoption pilot at Beijing Kerry Centre, the application of GECs at Shanghai Jing An Kerry Centre and Shanghai Kerry Everbright City Phase III has resulted in 20% of groupwide energy consumption being sourced from renewables. From 2026, three major Shanghai properties will be powered by a large proportion of green electricity.

Driven largely by our green electricity procurement across our properties in Beijing and Shanghai, we achieved a major year-over-year reduction of 24% in our operational carbon emissions.



20%

Renewable energy consumption¹



▼24%

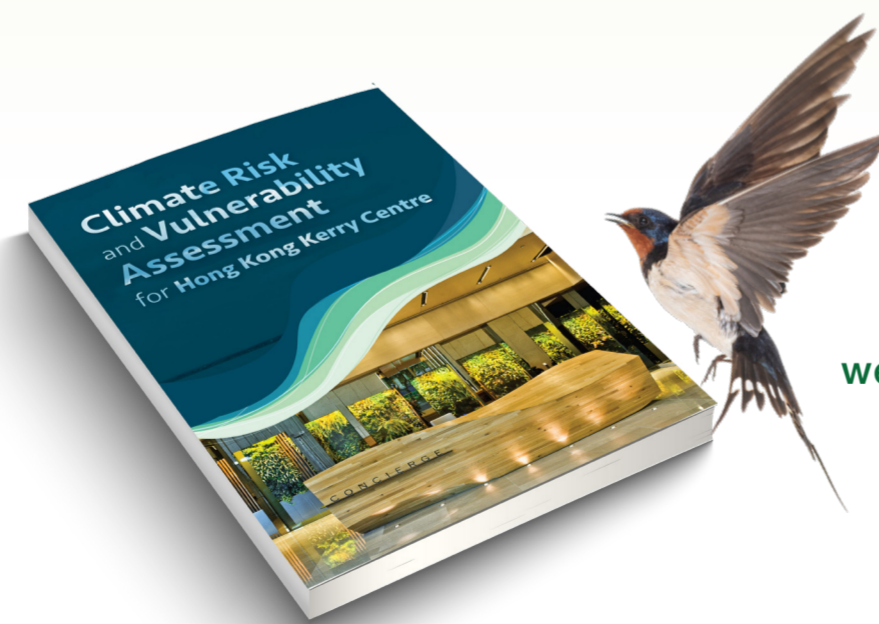
GHG emissions Scope 1 & 2 (absolute)²

Advancing Climate Resilience and Quantifying Financial Impacts

In 2024, we conducted CRVAs across our entire investment property portfolio, identifying the most significant physical climate risks affecting each asset and establishing a robust foundation for targeted resilience actions. Building on this work, we continued in 2025 to proactively manage climate-related risks and opportunities across our investment properties and projects under development.

To deepen our understanding of financial exposure, we expanded our efforts to systematically capture climate-related financial impacts. Based on the risks identified through the CRVAs, we collected quantitative data across three key areas: direct damage to properties caused by extreme weather events, investments in mitigation measures to reduce future risks, and recovery costs associated with post-event restoration.

These insights are now informing more strategic capital allocation, supporting dedicated budgets for resilience measures and enabling a transition from reactive responses to forward-looking, risk-informed planning.



Estimated
HK\$14.8 million
were incurred due to extreme weather³

Enhancing Scope 3 Data Quality and Coverage

Accurate Scope 3 emissions reporting is essential to our decarbonisation strategy. This year, we strengthened data collection processes to enhance both completeness and granularity across our value chain.

This included capturing more detailed data on building material consumption and deepening engagement with suppliers and contractors to obtain activity-specific information for key construction materials. These efforts enable a more robust assessment of embodied carbon across our developments.

Looking ahead, we will continue progressing towards supplier-specific emissions factors, reducing reliance on generic industry averages and further improving data precision.



5

Additional building materials were included in our upstream Scope 3 emissions



1. Calculated based on the energy from renewable sources against the total energy consumption of Investment Properties. Energy from renewable sources includes green electricity purchased in Beijing directly from the power grid, GECs purchased in Shanghai, and on-site generated solar power in Hong Kong and the Chinese Mainland.
 2. As compared to 2024. Performance data covers our Investment Properties. For details, please refer to the Performance Data Summary in this Report. The decrease in GHG emissions is due to the purchase of green electricity in Beijing directly from the power grid and GECs purchased in Shanghai.
 3. Of this amount, 21% was reimbursed by insurance, and 29% remains under the insurance claim process, 41% was financial implications to construction sites due to loss of working days.