

Code of Conduct

Sun Hung Kai Properties Limited (“SHKP”) is committed to upholding high standards of ethics, integrity and fairness, and conducting its businesses in an open and responsible manner to create greater value for its stakeholders.

This Code is applicable to SHKP and its subsidiaries (collectively: the Group). Business units of the Group are expected to abide by this Code. Where applicable, they will establish, review and update their own policy in accordance with their business nature. The Group’s associated and joint venture companies are encouraged to comply with this Code while our supply chain partners (including suppliers, contractors and subcontractors), and other service providers should comply with our Supplier Code of Conduct. This Code covers the following areas:

Legal Compliance and Commitment

- Meet or exceed all applicable legal requirements as well as environmental and social standards in the respective jurisdictions of the Group’s operations.

Prevention of Bribery and Corruption

- The Board of Directors is responsible for overseeing the anti-corruption policy and managing business ethics and corruption issues.
- Prohibits bribery, corruption and money laundering practices and abides by all applicable anti-bribery laws and regulations in force in the jurisdictions in which the Group has operations. A ‘bribe’ may include any illicit advantage offered or accepted as an inducement to, or reward for, performing or abstaining from performing any company duties. An ‘advantage’ includes money, gifts, loans, fees, rewards, employment, contracts, services or other favours.
- The Executive Committee is responsible for reviewing the Group’s anti-corruption policy as appropriate.

Charitable Contributions and Sponsorships

- The Group strictly prohibits any charitable contributions that involve bribery and corruption. Charitable contributions should be transparent and must not be made for personal benefits. The contribution should be made in accordance with applicable laws and regulations.

Soliciting or Accepting Advantages

- No employee may solicit or accept advantages, gifts or entertainment from any business partners of the Group, such as customers, suppliers or contractors. Any employee who receives red packets or gift valued at over HK\$500 should seek approval from their department head before accepting them. Individual departments may lower the departmental ceiling for acceptance of red packets and other gifts if needed.

Offering Advantages

- Prohibit from offering gifts, advantages or entertainment to any person or company for the purpose of influencing the person or company in any business dealings. When providing gifts or entertainment, they must be provided only in connection with the Group's legitimate business interests and purposes. Gifts bearing the SHKP logo are preferred. Business gifts and entertainment expenses must be processed through proper approval with records maintained. When dealing with government departments or public sector corporations that have more restrictive regulations or prohibitions against accepting gifts or entertainment, the more restrictive regulations or prohibitions must be followed.

Conflict of Interest

Conflict of interest arises when the private interest of an employee competes or is in conflict with the interest of the Group. 'Private interest' includes any financial or personal interest of the employees and those of their related parties, which may include family members, relatives or close personal friends. Common examples of standards of behaviour include, but are not limited to, the following:

- Avoid any actual or perceived conflict of interest and report to the Internal Affairs Department immediately if such a situation arises. Failure to avoid or declare a conflict of interest may be regarded as an act of favouritism, abusing authority, or even corruption;
- Must not accept outside employment regardless of whether it is paid or unpaid without prior written approval from the Internal Affairs Department. In any circumstances, employee must not take up any outside employment that may lead to a conflict of interest with the Group;
- Obtain prior approval from the Internal Affairs Department for employees who wish to make direct or indirect investments in non-publicly listed shares or engage in direct or indirect activities related to the Group's business that could lead to a conflict of interest;
- Report and make full disclosure to the Internal Affairs Department through department head to avoid a violation of the legal requirements in the respective jurisdictions of our operations, including the Prevention of Bribery Ordinance, if employees or their spouse or relatives engage in activities that may be in conflict with the interests of the Group during the discharge of their official duties;
- Should not abuse their official authority to obtain benefits for their personal interests or accept advantages, including commissions or rebates. Employee are not allowed to provide a company guarantee to any person or organization;
- Should not accept any loans from individuals or organizations having business dealings with the Group or have those individuals or organizations act as guarantors for loans; and
- Should not engage in frequent or excessive gambling with individuals having business dealings with the Group.

Any conflicts of interest situation that happened at the Board level will be dealt with in accordance with the Articles of Association of SHKP, the Companies Ordinance of Hong Kong and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Connected transactions (as defined in the Listing Rules) and directors' material interests in transactions, arrangements and contracts will be disclosed in the Group's Annual Report.

Handling of Confidential Information

- Without the prior written consent of management, employees are not allowed to disclose confidential information regarding the Group's business, including financial information and trade secrets, to any person directly or indirectly. Unauthorized leakage of such information may lead to disciplinary and/or legal action.

- Employees who are authorized to access or manage the Group's information should take appropriate security measures and handle it with the utmost care to avoid any abuse, misuse or loss of information. Examples of abusing information include disclosing information in exchange for monetary benefits and making use of information for personal interest.
- If a government authority or regulatory body approaches any employee in relation to work and (i) requests any company information or documents, or (ii) requests an interview with them or their colleagues, or (iii) asks any questions:
 - (1) They should immediately inform and seek advice and assistance from the Legal Department before taking any steps or action to accede to any such request; and
 - (2) When so doing, they should approach the Legal Department in person, since issues of confidentiality may be involved, which may not be properly maintained if written memoranda, e-mails or other means of communications are used.

Protection of Information and Company Property

- Take good care of the Group's assets and ensure the economical use of the Group's resources. All files, books and documents of the Group should be kept in a proper manner. Use of the Group's assets and resources shall follow the Group's procedures and practices. All use of the Group's assets and resources, other than for the business purposes, requires prior authorization and proper justification, following the Group's policies and procedures.

Relationship with Suppliers and Contractors

Fair and Open Competition

The Group embraces fair competition and pursues the development of a prudent and fair supply chain. The Group is committed to complying with all applicable competition and antitrust laws. Employees should acquaint themselves and comply with the applicable competition laws to which their businesses are subject. A non-exhaustive list of anti-competitive behaviours that violate competition laws is set out as follows:

- Participating in price fixing, collective boycotts or market-sharing arrangements;
- Exchanging competitively sensitive information with competitors;
- Imposing restrictions on customers or suppliers, including retail price maintenance; and
- Abusing a position of substantial market power or market dominance.

Procurement and Tendering

Contracting services and purchasing of goods should be based solely upon price, quality and need. The procurement and tendering process should be conducted according to the following principles:

- Impartially selecting appropriate, capable and responsible suppliers and contractors;
- Maximizing competition;
- Selecting appropriate contract types according to need; and
- Adopting an effective monitoring system and management controls to detect and prevent bribery, fraud or other malpractice in the procurement and tendering process.

Relationship with Shareholders

Keeping Proper Books and Records

- Commit to keeping proper records and following sound accounting policies. All books, records, accounts, invoices and other documents must be properly created and maintained. No false or misleading statements or entries should be made in the Group's books, accounts, electronic records, documents or financial statements.

Insider Dealing

- Prohibit from providing or making available confidential or insider information to anyone without proper authorisation, or using confidential or insider information to secure advantage through the use of agents, partners, contractors, family members, or parties acting on their behalf or otherwise.

Relationship with Customers

- Work in a professional and responsible manner. Absenteeism, wilful neglect of duties and procrastination are unacceptable. In case of heavy workload, employees should prioritize their job assignments according to their urgency and importance, or seek assistance from their supervisor if needed. Conducting personal activities during working hours and using company facilities for personal purposes are not allowed.
- Believe customers come first. Employee should serve customers in a polite, sincere and patient manner to uphold the good reputation of the Group's customer service.

Environment, Health and Safety

- Commit to providing a safe and healthy environment for its employees and others who may be affected by its operations. It aims to create long-term value for its stakeholders. Achieving this depends on the sustainable development of its businesses and the communities in which it operates. To this end, the Group is dedicated to being a good steward of the natural resources and biodiversity under its influence and to ensuring that all potential adverse effects of its operations on the environment are identified.

Human Rights and Labour Practices

- Respect internationally accepted human rights, in line with the principles and guidance stated in the United Nations Global Compact (UNGC), the UN Universal Declaration of Human Rights, and the UN Sustainable Development Goals.
- Prohibit any form of employment of illegal and forced labour, including child labour, prison labour, indentured labour, bonded labour, military labour, modern slavery in any form, and human trafficking.
- Will not tolerate discrimination against employees on the grounds of age, gender, marital status, pregnancy, disability, family status, race, colour, nationality or religion in employment, including labour practices, training and development, job allocation, remuneration and benefits, and performance assessment.
- Encourage suppliers, contractors and business partners to abide by the Group's labour practice policy.

Equal Opportunity and Diversity

- Adopt a zero-tolerance policy for discrimination and promote and integrate the principles of equal opportunity, discrimination-free, harassment-free and inclusive excellence at the workplace. Employee should follow reasonable instructions from supervisors and maintain a cooperative and mutually respectful work relationship with colleagues. In case of any different viewpoints, employee should seek advice from their supervisors. Employee should work with their colleagues with a cooperative team spirit and be courteous at all times.
- Abide by all applicable legal requirements in the respective jurisdictions of our operations, including the Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance, and Race Discrimination Ordinance of the HKSAR.

- Not tolerate any form of sexual or non-sexual harassment in the workplace, including but not limited to harassment and discrimination on the grounds of age, gender, marital status, pregnancy, disability, family status, race, colour, nationality or religion. Employees found to have engaged in unlawful discrimination or harassment may be disciplined, and in serious cases, dismissed.
- Provide the necessary training and supervision for all employees with a view to attaining high standards of equal opportunities in the workplace.
- The Group has a whistleblowing mechanism in place which provide an escalation process for reporting incidents. Any complaints of unlawful harassment, discrimination or potential cases of abuse will be dealt with in accordance with the grievance procedures set out by the Group. Employees can follow the instructions as stipulated in the Whistleblowing Policy to report the case. If an investigation is warranted, the investigation outcomes and recommendations, if any, will be reported to the Chairman and Managing Director. Major issues of the case will also be reported to the Audit and Risk Management Committee for review. Persons found to have been involved in unlawful harassment or discrimination will be subject to disciplinary action, including verbal or written warning, poor performance review and termination of employment.
- The Group will communicate with relevant persons, take appropriate corrective actions and take active measures to improve unacceptable behaviour after receiving relevant complaints, such as providing informal or formal counselling sessions to the affected party.

Privacy

- We are committed to protecting the privacy of our stakeholders, including employees and customers, and abiding by all applicable legal, statutory or regulatory requirements. For instance, in Hong Kong, the Group complies with its Customer Data (Privacy) Policy and other relevant laws, such as the Personal Data (Privacy) Ordinance of the HKSAR, when collecting, handling and using personal data. Employee should take appropriate steps to protect the privacy of others and the confidential information received.

Compliance with the Code

- Show good conduct, comply with the applicable laws and this Code. Any breach of this Code or engagement in activities that are detrimental to the Group's reputation will lead to disciplinary action, including termination of employment.
- Encourage all stakeholders (including employees and customers) to report concerns about any malpractice or impropriety that comes to their attention. They can raise their concerns with the head of the department concerned, the Group Head of Internal Affairs, the Head of Internal Audit, the Chairman and Managing Director of SHKP, or the Audit and Risk Management Committee of SHKP. Examples of malpractice or impropriety and details of how investigations are conducted are set out in the Whistleblowing Policy of SHKP. Employees should not suffer any intimidation and retaliation as a consequence of reporting a concern about any of the above matters.

Communication

- Ensure that all employees understand this Code and that it is enforced throughout the Group's operations.
- Provide the necessary procedures, training, supervision and environment so that all employees have the highest attainable level of ethics.
- Review this Code by the Group Head of Internal Affairs, the Sustainability Steering Committee, and the Human Resources Committee periodically for adequacy and effectiveness, as appropriate.

If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.