



瑞安房地產
SHUI ON LAND

Green Finance Report

2022



July 2023

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About Shui On Land

Headquartered in Shanghai, Shui On Land (Stock Code: 272) is a leading commercial focused real estate developer, owner, and asset manager in China. We have a proven track record in developing large-scale, mixed-use, sustainable communities, and are the flagship property development company of the Shui On Group.

As of 31 December 2022, the Group has 13 projects in various stages of development, with a land bank of 9.3 million square metres (m²). We are also one of the largest private commercial property owners and managers in Shanghai, with a total portfolio of 3.34 million m² of office and retail premises, including our flagship Shanghai Xintiandi.

Please refer to the map on Page 6 of our 2022 Sustainability Report for 13 properties within our entire portfolio are located as of 31 December 2022.

Shui On Group and public shareholders together own 100% of Shui On Land. We wholly own the four businesses of Shui On Xintiandi Co. Ltd., Feng Cheng Property Management Ltd., Shui On Construction Co. Ltd., and Shui On Investment Management.

The Company was the largest Chinese real estate enterprise to be listed on the Hong Kong Stock Exchange (HKEX) in 2006. We are also a constituent stock of the Hang Seng Composite Index, HSCI Composite Industry Index – Properties and Construction, Hang Seng Composite MidCap Indices as well as the Hang Seng Stock Connect HK Index.

Since the inception of our company, SOL has been committed to caring for the environment, preserving and rejuvenating cultural historical buildings, and building and sustaining vibrant communities.

About This Report

This report includes both the Sustainability-linked Bond (“SLB”) Report and the Green Bond Report.

Sustainability-linked Bond Report 2022

Selection of Key Performance Indicators (KPIs)




SOL has selected the following KPI which it believes to be direct, relevant and material with regards to its core business and coherent with the company's ESG strategy and priorities as well as meaningful in terms of measuring SOL's ESG performance.

KPI: Reduction of Scope 1 and 2 Greenhouse Gases ("GHG") emissions intensity relating to assets that are wholly or partially owned and operated by SOL for at least 1 year

Calibration of Sustainability Performance Targets ("SPT"s)

SOL has set the following target in relation to its selected KPI. The company believes that the targets are ambitious against the baseline and reflects the company's commitment to decarbonisation. SOL has specifically considered transparency to investors as well as verifiability considerations with regards to setting its SPTs.

KPI	Reduction of Scope 1 and 2 Greenhouse Gases ("GHG") emissions intensity relating to assets that are wholly or partially owned and operated by SOL for at least one year
Rationale for KPI	<ul style="list-style-type: none"> SOL is focusing on Scope 1 and 2 GHG emissions intensity for the purpose of its SLB framework given focusing on its own operations and what the company can accurately measure as well as control will generate the most immediate impact on tackling climate change SOL has excluded Scope 3 GHG emissions for its SLB framework because currently it is unable to derive reliable and accurate data around its Scope 3 GHG emissions especially building material embodied carbon data. Scope 3 GHG emission reductions are integral part of the company's overall sustainability strategy and will actively work with tenants and other stakeholders to calculate and mitigate environmental impact SOL intends to include Scope 3 GHG emissions for its 2030 SBTi targets and will also step up efforts to reduce embodied carbon as well as GHG emissions from its tenants
Baseline	<ul style="list-style-type: none"> GHG emission intensity of 62.6 kg / square meter in 2019
Target	<ul style="list-style-type: none"> GHG emission intensity that is equal or lower than 46.7 kg / square meter in 2024
SPT	<ul style="list-style-type: none"> To reduce Scope 1 and 2 GHG emissions intensity (per square meter) by 25% by 2024 from a 2019 baseline

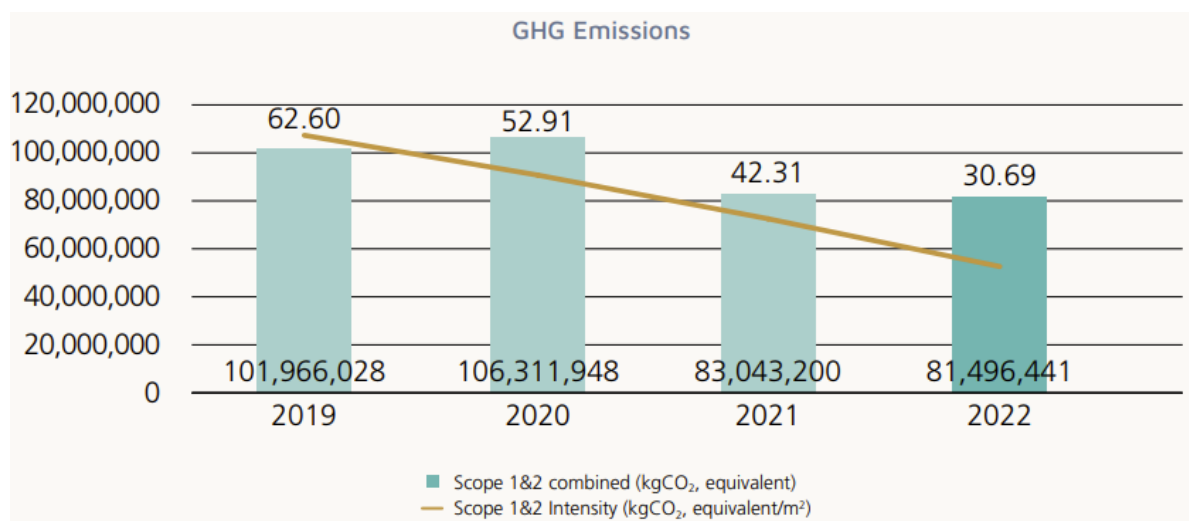
Alignment with United Nations Sustainable Development Goals (UN SDGs)	<p>The target to reduce carbon intensity aligns with UN SDG 7 - Affordable and Clean Energy, UN SDG 9 - Industry, Innovation and Infrastructure and UN SDG 11 – Sustainable Cities and Communities</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> </div>																						
Alignment with SBTi	<ul style="list-style-type: none"> • SOL is engaging with SBTi currently in setting its decarbonisation targets (Scope 1, 2 and 3 GHG emissions) required to limit warming to well-below 2°C and use best endeavours to set targets that limit global warming to 1.5 degrees • The SPT has been set referencing resources from the SBTi and the company intends for it to align with its commitment to limiting warming to well-below 2°C levels and pursue efforts to limit warming to 1.5°C • SOL will use best efforts to align the performance of its SPT towards the trajectory required to achieve its 2030 SBTi targets 																						
Methodology for calculating SPT	<ul style="list-style-type: none"> • Scope 1 is defined by direct emissions of greenhouse gas • Scope 2 is defined by indirect emissions of greenhouse gas emissions • Definitions of Scope 1 and Scope 2 greenhouse emissions will be as defined in the GHG Protocol • GHG emission intensity calculated as CO2 emitted per square meter of gross floor area 																						
Historical KPI performance	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4CAF50; color: white;"> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td style="color: green;">SOL group average Scope 1 and 2 GHG emissions intensity (kg per square meter)</td> <td style="text-align: center;">91.06</td> <td style="text-align: center;">85.53</td> <td style="text-align: center;">89.74</td> <td style="text-align: center;">80.35</td> <td style="text-align: center;">75.33</td> <td style="text-align: center;">67.79</td> <td style="text-align: center;">65.19</td> <td style="text-align: center;">64.60</td> <td style="text-align: center;">62.60</td> <td style="text-align: center;">52.91</td> </tr> </tbody> </table>		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	SOL group average Scope 1 and 2 GHG emissions intensity (kg per square meter)	91.06	85.53	89.74	80.35	75.33	67.79	65.19	64.60	62.60	52.91
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020													
SOL group average Scope 1 and 2 GHG emissions intensity (kg per square meter)	91.06	85.53	89.74	80.35	75.33	67.79	65.19	64.60	62.60	52.91													
Materiality	<ul style="list-style-type: none"> • Currently, almost all of SOL's Scope 1 and 2 GHG emissions can be attributed to assets that are wholly or partially owned and operated by the company for at least one year • SOL's intention is for all of its assets that are wholly or partially owned and operated by the company to be 100% covered by the KPI (i.e. All of the company's Scope 1 and 2 GHG emissions are attributed to assets that are wholly or partially owned and operated by the company for at least one year). However, in future as the company would likely have new assets under construction or assets wholly or partially owned for less than one year, the KPI coverage may decrease 																						
Strategy to achieve KPI SPT	<ul style="list-style-type: none"> • SOL intends to set a roughly 3% annual energy intensity reduction target rate for its operation which will reduce GHG emissions from its operations • SOL intends to use more renewable energy to power its operations as some cities in which its assets are located will have renewable electricity supply available in the coming years • SOL will adopt diverse energy and resource efficiency measures to reduce energy consumption and corresponding carbon emissions including the following: <ul style="list-style-type: none"> – Using the highest possible design standard – Upgrading to LED lighting systems and using time controls in public lighting – Replacing low energy-efficient mechanical equipment with high efficient ones 																						

Exclusion criteria

- Adopting better HVAC control strategy
- Building recommissioning in operation
- SOL commits that proceeds raised from SLBs under its SLB framework will not go towards financing activities related to fossil fuels or coal

The baseline may be recalculated or adjusted and calibration of the SPT may change if there is a material change to SOL's property business and / or the composition of its property portfolio in case of any divestments, corporate restructuring, etc. Any such changes will be communicated by way of public announcements.

Reporting on SOL's Sustainability-linked Bond ("SLB")



Tracking our carbon emissions intensity since 2011, we have achieved an 66.3% reduction since then. In 2022, our operations' greenhouse gas emission intensity decreased by 27.5% from 2021 levels.

Please refer to page 20 to page 25 of this report for details on the Third Party Annual SLB Verification Report by Sustainalytics.

Green Bond Report 2022

SHUI ON LAND'S GREEN BOND


The issuance of green bonds is part of the development and implementation of the sustainable development strategy (the "SD Strategy") of Shui On Land Limited (the "Company" or "SOL") and its subsidiaries (the "Group"). It reaffirms our ongoing commitment to sustainable development.

Green buildings and renovations play an important role in sustainable cities and urban regeneration, reducing energy and resource consumption whilst providing healthy environments for communities to thrive. We recognize green bonds as a key market-oriented method to engage investors in our sustainable development efforts.

We launched our first green bond in November 2019, raising US\$ 300 million at a coupon rate of 5.75%, maturing in 2023.

The net proceeds were in the amount of approximately US\$ 296 million, and all of the proceeds were used to finance the acquisition of Corporate Avenue 5 in Taipingqiao, Shanghai, the renovation of Shui On Plaza in Shanghai and the renovation of Shui On Land headquarters.


Details of First Green Bond

Size	US\$ 300,000,000
Offering Type	Reg S only, Category 2
Issue Date	November 12, 2019
Maturity Date	November 12, 2023
Coupon	5.75% per annum
Issue Price	100%
Listing:	Singapore Exchange Securities Trading Limited
Joint Lead Managers	Standard Chartered Bank UBS AG Hong Kong Branch
Second Party Opinion Provider	 SUSTAINALYTICS

TAP ON THE FIRST GREEN BOND

We launched our tap on the first green bond in December 2020, raising US\$ 200 million at a coupon rate of 5.75%, maturing in 2023. The net proceeds were in the amount of approximately US\$ 199 million, and all such proceeds were used to finance the acquisition and development of Hong Shou Fang project in Shanghai.

Details of the Tap on the First Green Bond

Size	US\$ 200,000,000
Offering Type	Reg S only, Category 2
Issue Date	December 2, 2020
Maturity Date	November 12, 2023
Coupon	5.75% per annum
Issue Price	100%
Listing:	Singapore Exchange Securities Trading Limited
Sole Lead Manager	UBS AG Hong Kong Branch
Second Party Opinion Provider	 SUSTAINALYTICS



Net proceeds from our first green bond and the tap on the first green bond were used exclusively for funding, financing or refinancing the acquisition, development, renovation in whole or in part of "Eligible Projects". Eligible Projects refer to projects funded, in whole or in part, by the Group that promotes sustainable development in the real estate industry. Such "Eligible Projects" are included in the following categories[※]:



Green Buildings



Energy Efficiency



Pollution Prevention
and Control

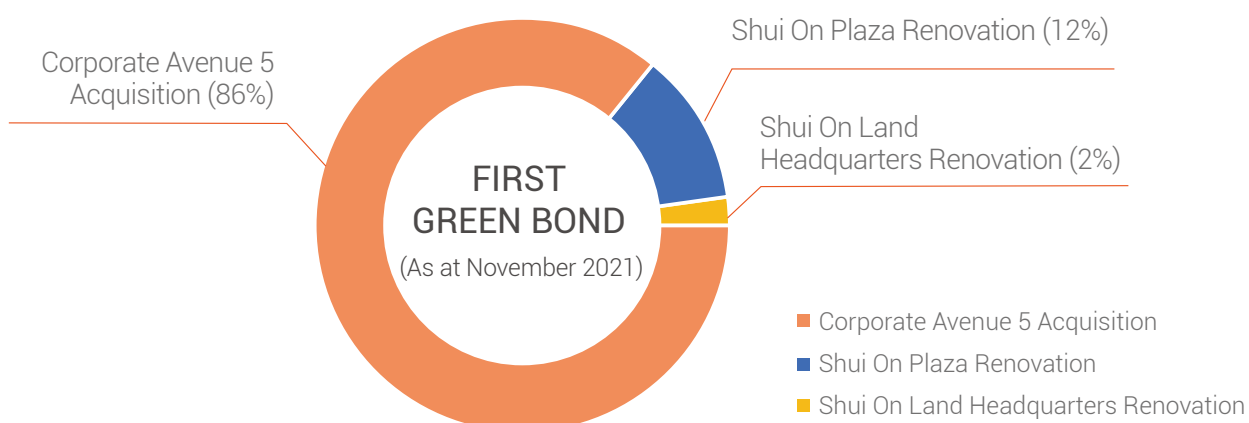
※ For further details, please refer to [Shui On Land Limited Green Finance Framework](#)

ALLOCATION OF GREEN BOND PROCEEDS

FIRST GREEN BOND

Category	Projects	Certification	Green Bond Proceeds Allocated ¹	
Green Buildings	Corporate Avenue 5 Acquisition	Gold Certified for LEED CS	US\$ 255 million	86%
		Three Star for China Green Building Label		
	Shui On Plaza Renovation	Gold Certified for LEED CS	US\$ 36 million	12%
	Shui On Land Headquarters Renovation	Gold Certified for LEED CI Version 4	US\$ 5 million	2%
Platinum Certified for WELL Version 2				
Total Allocated Proceeds			US\$ 296 million	100%
Total Net Proceeds			US\$ 296 million	100%

¹ As at November 2021



TAP ON THE FIRST GREEN BOND

Category	Projects	Certification	Green Bond Proceeds Allocated ²	
Green Buildings	Hong Shou Fang Acquisition and Development	Gold Precertification for LEED CS (East Tower)	US\$ 199 million	100%
		Gold Precertification for LEED CS (West Tower)		
Total Allocated Proceeds			US\$ 199 million	100%
Total Net Proceeds			US\$ 199 million	100%

² As at November 2021



Reporting Criteria

- Total net proceeds of US\$ 296 million and US\$ 199 million were raised from the issuance of the first green bond and the tap on the first green bond, details of which are set out in this report.
- A green bond is added to the Green Bond Report when it was issued during the reporting period.
- A green bond is removed from the Green Bond Report when it has been fully repaid.
- Allocation and use of proceeds for each eligible green project are made according to the **Green Finance Framework** of SOL.

GREEN PROJECT UPDATES



Corporate Avenue 5 Acquisition

Gross Floor Area
102,330 sq.m.

Storeys
27

Date of Certificate of Real Estate Ownership
October 29, 2014

Project Name	Corporate Avenue 5 Acquisition
Location	150 Hubin Road, Huangpu District, Shanghai, the PRC
GFA	102,330 sq.m.

Certification		<p>Gold Certified for LEED CS</p>	<p>Certification Date September 2015</p>
		<p>Three Star for China Green Building Label</p>	<p>December 2012</p>

Green Bond Proceeds Allocated	US\$ 255 million
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Highlights of Green Elements

Item

Estimated Environmental Impact

Renewable Energy

- Renewable energy: PV panel 64.3kW and solar water system 18m² on the office tower roof
- Total renewable energy generated annually: 79,366 kWh, equivalent to annual carbon emissions avoidance of 63.9 tonnes of CO₂e

Energy Efficiency

- High performance façade and revolving doors to reduce heating and cooling loads
- High efficiency chillers, boilers, pumps and ventilation fans
- Metering system to monitor energy consumption
- Annual 28% energy savings compared with LEED V2 baseline, equivalent to 2,392 tonnes of CO₂e/yr

Water Conservation

- Grey water system for toilet flushing and irrigation
- Low flow-rate sanitary fixtures and irrigation system to save potable water consumption
- Annual 64% water savings compared with LEED V2 baseline



Shui On Plaza Renovation

Gross Floor Area
26,489 sq.m.

Storeys
7

Date of Certificate of Real Estate Ownership
February 18, 1997

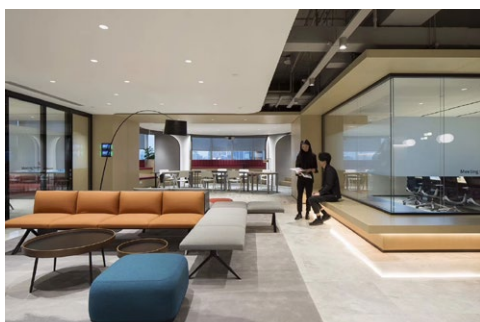
Project Name	Shui On Plaza Renovation		
Location	B2-7F 333 Mid. Huaihai Road, Huangpu District, Shanghai, the PRC		
GFA	26,489 sq.m.		
Certification		<p>Gold Certified for LEED CS</p>	<p>Certification Date January 2019</p>
Green Bond Proceeds Allocated	US\$ 36 million		

**Highlights of
Green Elements**
Item
Estimated Environmental Impact
Energy Efficiency

- | | |
|--|--|
| <ul style="list-style-type: none"> • High performance façade and revolving doors to reduce heating cooling loads • High efficiency chillers, boilers, pumps and ventilation fans • Free cooling system for retail podium • Metering system to monitor energy consumption • High efficiency lighting fixtures and controls | <ul style="list-style-type: none"> • Annual 14% energy savings compared with LEED V3 baseline, equivalent to 467 tonnes of CO₂e/yr |
|--|--|

Water Conservation

- | | |
|--|---|
| <ul style="list-style-type: none"> • Low flow-rate sanitary fixtures and irrigation system to save portable water consumption | <ul style="list-style-type: none"> • Annual 43% water savings compared with LEED V3 baseline |
|--|---|



Shui On Land Headquarters Renovation

Gross Floor Area
5,000 sq.m.

Storeys
3

Date of Certificate of Real Estate Ownership
February 18, 1997

Project Name	Shui On Land Headquarters Renovation		
Location	23-26F 333 Huaihai Zhong Road, Huangpu District, Shanghai, the PRC		
GFA	5,000 sq.m.		
Certification		Gold Certified for LEED CI Version 4	Certification Date May 2020
		Platinum Certified for WELL Version 2	September 2020
Green Bond Proceeds Allocated	US\$ 5 million		

Highlights of Green/Healthy Elements

Item	Estimated Environmental Impact
------	--------------------------------

Energy Efficiency

- | | |
|---|---|
| <ul style="list-style-type: none"> • LED lighting • High efficiency mechanical equipment and Submetering system | <ul style="list-style-type: none"> • Annual 31% energy savings compared with LEED V4 baseline, equivalent to 136 tonnes of CO2e/yr |
|---|---|

Water Conservation

- | | |
|---|---|
| <ul style="list-style-type: none"> • Low flow-rate sanitary fixtures : <ul style="list-style-type: none"> • sensor faucet 1.9L/M • toilet 4.8L/F • urinal 0.5L/F | <ul style="list-style-type: none"> • Annual 45% water savings compared with LEED V4 baseline |
|---|---|

Indoor Air Quality

- | | |
|--|--|
| <ul style="list-style-type: none"> • 26 permanent air filters. • G4+F7 fresh air filter in PHU. • Max 28,000 m³/h fresh air for 200 people • Low emissions furniture, carpet, paint and coating • Enclosed printing Room | <ul style="list-style-type: none"> • PM2.5 3~10 ug/m³ • PM10 4~15 ug/m³ • Formaldehyde 10~25 ppb • CO 0~0.4 ppm • CO2 0~800 ppm |
|--|--|

Indoor Water Quality

- | | |
|--|--|
| <ul style="list-style-type: none"> • Potable water filtration | <ul style="list-style-type: none"> • TDS 8 mg/L • Turbidity 0.04 NTU |
|--|--|

Indoor Noise Level

- | | |
|--|---|
| <ul style="list-style-type: none"> • DC fan coil unit • System glass partitions • Noise break gypsum board partitions | <ul style="list-style-type: none"> • Office: 38~41 dBA • Conference: 33~35 dBA • Public: 44~45 dBA |
|--|---|



Hong Shou Fang Project

Gross Floor Area



87,872 sq.m.

Storeys

4 buildings between 2 and 21 storeys

Date of Certificate of Real Estate Ownership

July 8, 2020

Project Name	Hong Shou Fang Project	
Location	Changshou Road, Putuo District, Shanghai, the PRC	
GFA	87,872 sq.m.	
Certification		<p style="text-align: center;">Gold Precertification for LEED CS (East Tower)</p> <p style="text-align: right;">Certification Date February 2021</p>
		<p style="text-align: center;">Gold Precertification for LEED CS (West Tower)</p> <p style="text-align: right;">February 2021</p>
Green Bond Proceeds Allocated	US\$ 199 million	

Highlights of Green/Healthy Elements

Item

Estimated Environmental Impact

Energy Efficiency

- High performance façade and revolving doors to reduce heating and cooling loads
- High efficiency chillers, boilers, pumps and ventilation fans
- High efficiency lighting fixtures and controls
- Metering system to monitor the energy consumption

- Annual 25% energy saving compared with LEED V4 baseline, equivalent to 1,265 tonnes of CO₂e/yr

Water Conservation

- Grey water system for toilet flushing and irrigation
- Low flow-rate sanitary fixtures and irrigation system to save portable water consumption

- Annual 40% water saving compared with LEED V4 baseline

Sponge City Design

- Two rainwater harvest pools (total 200m³) for site rainwater control

- Annual total runoff control rate 65%
- Annual runoff pollution control rate is >50%

Appendix

Annual Third-Party Verification Report by Sustinalytics.

Shui On Land Limited

Type of Engagement: Sustainability-Linked Bond Annual Review

Date: July 14, 2023

Engagement Team:

Vijay Wilfred, vijay.wilfred@morningstar.com

Sumaiya Waheed, sumaiya.waheed@morningstar.com

Introduction

Shui On Land Limited (“SOL” or the “Company”) is a Chinese property development company engaged in the development, sale, leasing, management and long-term ownership of properties for residential, office, retail, entertainment and cultural uses. Established in 2004, SOL is headquartered in Shanghai and is listed on the Hong Kong Stock Exchange, being part of the HSCI Composite Industry Index – Properties & Construction.

In June 2021, SOL issued a sustainability-linked bond (“the SLB”), under the Shui On Sustainability-Linked Bond Framework.¹ The SLB’s financial characteristics are tied to the achievement of a sustainability performance target (the “SPT”), reflective of progress on a material sustainability-related issue for the Company. If the SPT is not achieved by the observation date set forth in the SLB’s documentation, a penalty will be implemented on the bond. The penalty will take the form of a coupon adjustment or premium payment in one of the following ways: i) coupon rate step-up by 0.25%, ii) purchase of green electricity certificates, carbon credit or offset certificates, or iii) payment to a research institute or a non-governmental organization. The final observation date of the issuance is 45 days prior to the interest payment date falling in December 2025. Sustainalytics provided a second-party opinion on the Framework in June 2021.²

In July 2023, SOL engaged Sustainalytics to review its progress towards the SPT as of the end of 2022. This is Sustainalytics’ second annual review, following a previous review in June 2022.

Evaluation Criteria

Sustainalytics evaluated the following elements as per the SLB documentation:

1. Calculation and measurement of the KPI
2. Progress towards the SPTs
3. Reporting

Table 1: KPI and SPT

KPI	KPI Description	SPT 2024	2019 (Baseline)
KPI: Scope 1 and 2 GHG emissions intensity (kgCO ₂ /m ²)	<p>The KPI is defined as the scope 1 and 2 emissions intensity of assets that are wholly or partially owned and operated by SOL for at least one year.</p> <p>Emissions intensity is calculated as follows: kgCO₂/m²</p> <p>Emission intensity calculation includes direct greenhouse gas emissions from buildings owned or controlled by SOL (scope 1) and greenhouse gas emissions from the electricity, heat or steam purchased from third parties (scope 2).</p>	Reduction of scope 1 and 2 GHG emissions intensity by 25% by 2024 from a 2019 baseline.	62.60 kgCO ₂ /m ²

¹ Shui On Land, “Shui On Sustainability-Linked Bond Framework”, (2021), at: https://www.shuionland.com/static/files/csr/SOL_SLB%20Framework_Final.pdf

² Sustainalytics, “Shui On Land Sustainability-Linked Bond Framework Second-Party Opinion” (2021), at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/shui-on-land/shui-on-land-sustainability-linked-bond-framework-second-party-opinion-\(2021\)/shui-on-land-sustainability-linked-bond-framework-second-party-opinion](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/shui-on-land/shui-on-land-sustainability-linked-bond-framework-second-party-opinion-(2021)/shui-on-land-sustainability-linked-bond-framework-second-party-opinion)

	For detailed information please refer to Appendix 1.		
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Issuing Entity's Responsibility

SOL is responsible for providing accurate information and documentation relating to the details of the KPI calculation and performance.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of SOL's SLB. The work undertaken as part of this engagement included collection of documentation from SOL's employees and review of documentation to assess conformance with the agreed upon details of the SLB.

Sustainalytics has relied on the information and the facts presented by SOL with respect to the KPI and SPT. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings or conclusions herein are not correct due to incorrect or incomplete data provided by SOL.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Internal Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,³ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, SOL's measurement of and reporting on its progress toward achieving its SPT do not conform with its commitments in the bond document.

³ Sustainalytics' limited assurance process includes reviewing the documentation relating to the details of the KPI and SPT that have been agreed upon, including data on performance of the KPI, KPI reporting, calculations and verification conducted for the baseline data. The Borrower is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Table 2: Detailed Findings

Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Calculation and measurement of KPI	Review of Calculation and methodology used for KPI	SOL's approach to measuring the KPI is clear and consistently applied across the years under observation and on the historical performance as outlined in the Framework and within Appendix 1. Carbon intensity calculation includes scope 1 and 2 carbon emissions from wholly or partially owned and operated real estate assets.	None
Sustainability Performance	Review of achieved progress on KPI to determine if it meets the SPT mentioned in the bond document as outlined in Table 1	SOL has progressed towards the achievement of the SPT by reducing the carbon intensity of wholly or partially owned and operated real estate assets. The Company has reported a 50.97% reduction in carbon intensity of buildings in 2022 from the 2019 baseline. Please see Appendix 2 for more details.	None
Reporting	Review of the reporting practices to make and keep readily available up-to-date information relating to the SPT.	SOL has committed to report on an annual basis on its performance on the KPI and relevant figures in its Annual Report, or sustainability report, or in a bond-level report which will be published on its website.	None

Appendix 1: Shui On Land’s Carbon Emissions Assessment Methodology

The following is a summary excerpt of the carbon footprint assessment methodology used in Shui On Land Sustainability-Linked Bond Framework.⁴

SOL calculates its GHG emissions in accordance with the GHG Protocol’s corporate reporting standards⁵. Emissions intensity calculation includes direct greenhouse gas emissions from buildings owned or controlled by SOL (scope 1) and greenhouse gas emissions from the electricity, heat or steam purchased from third parties (scope 2). SOL uses the total gross floor areas of real estate assets that are wholly or partially owned and operated by SOL for at least one year when calculating the GHG emissions intensity.

Appendix 2: Progress towards the Sustainability Performance Target

Shui On Land’s scope 1 and 2 emissions and total floor area in 2019 and 2022.

Reporting Indicator	2019	2022
Carbon Intensity (kgCO ₂ /m ²)	62.60	30.69
Scope 1 Emission (kgCO ₂ e)	10,482,469	8,375,910
Scope 2 Emission (kgCO ₂ e)	91,483,559	73,120,531
Scope 1 and 2 Emissions (kgCO ₂ e)	101,966,028	81,496,441
Gross Floor Area (m ²)	1,636,573	2,655,161

Shui On Land’s scope 1 and 2 emissions’ annual year-on-year reduction and reduction over baseline

KPI	Baseline 2019	Performance 2020	Performance 2021	Performance 2022	SPT 2024
Scope 1 and 2 GHG emissions intensity (kgCO ₂ /m ²)	62.60	52.91	42.31	30.69	46.95
Annual year-on-year reduction (%)	-	15.48%	20.03%	27.46%	
Reduction over baseline (%)		15.48%	32.4	50.97%	25%

⁴ Shui On Land, “Sustainability-Linked Bond Framework”, at: <https://www.shuionland.com/static/files/csr/Second-Party%20Opinion.pdf>

⁵ The Greenhouse Gas Protocol, “A Corporate Accounting and Reporting Standard revised edition”, at: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

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