



瑞安房地產  
SHUI ON LAND

# Green Finance Report

2024



July 2024

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## **About Shui On Land**

Headquartered in Shanghai, Shui On Land (SOL) (Stock Code: 272) is a leading urban solutions provider dedicated to creating sustainable premium urban communities in China. As the flagship property development entity within the Shui On Group, we boast an impressive legacy in urban regeneration.

As of 31 December 2023, the Group has 14 projects at different stages of development and two asset management projects, possessing a land bank totalling 8.5 million square meters (m<sup>2</sup>). Additionally, we stand as one of Shanghai's most prominent private commercial property owners and managers, possessing a commercial asset portfolio with a total value of RMB 84 billion located in prime locations of Shanghai.

Please refer to Page 6 of our 2023 Sustainability Report for our entire portfolio as of 31 December 2023.

Shui On Land is jointly owned by the Shui On Group and public shareholders, with a 100% ownership stake shared between them. We have full ownership of four key businesses: Shui On Xintiandi Co. Ltd., Feng Cheng Property Management Ltd., Shui On Construction Co. Ltd., and Shui On Investment Management.

The Company emerged as 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, the Hang Seng Composite Industry Index – Properties and Construction, the Hang Seng Composite SmallCap Index, the Hang Seng Stock Connect Hong Kong Index, and the Hang Seng Corporate Sustainability Benchmark Index.

Our “Asset Light Strategy” has been instrumental in significantly expanding our asset management portfolio through establishing partnerships with long-term investors. Since our inception, Shui On Land 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 2024

## 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.

<b>KPI</b>	<b>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</b>
<b>Rationale for KPI</b>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>GHG emission intensity of 62.6 kg / square meter in 2019</li> </ul>
<b>Target</b>	<ul style="list-style-type: none"> <li>GHG emission intensity that is equal or lower than 46.7 kg / square meter in 2024</li> </ul>
<b>SPT</b>	<ul style="list-style-type: none"> <li>To reduce Scope 1 and 2 GHG emissions intensity (per square meter) by 25% by 2024 from a 2019 baseline</li> </ul>

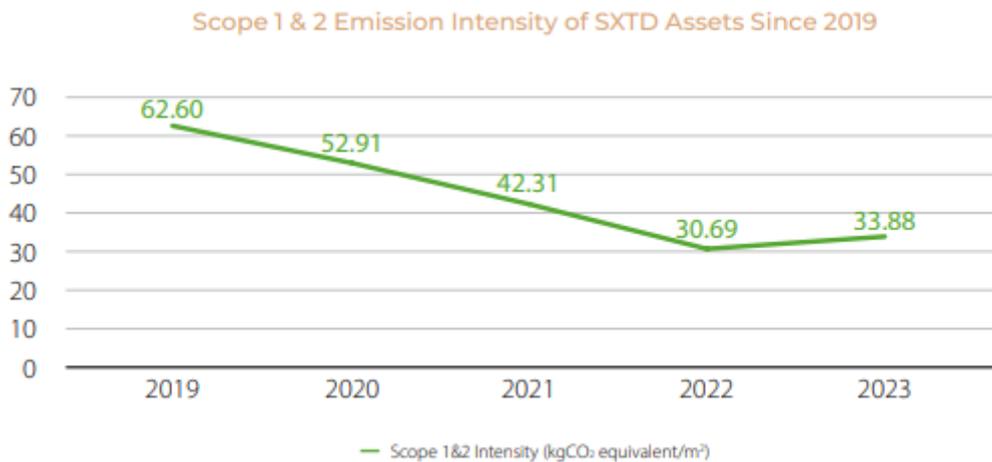
<b>Alignment with United Nations Sustainable Development Goals (UN SDGs)</b>	<p>The target to reduce carbon intensity aligns with UN SDG 7 - Affordable and Clean Energy, UN SDG 9 - Industry, Innovation and Infrastructure and UN SDG 11 – Sustainable Cities and Communities</p> <div style="display: flex; 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>																						
<b>Alignment with SBTi</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• SOL will use best efforts to align the performance of its SPT towards the trajectory required to achieve its 2030 SBTi targets</li> </ul>																						
<b>Methodology for calculating SPT</b>	<ul style="list-style-type: none"> <li>• Scope 1 is defined by direct emissions of greenhouse gas</li> <li>• Scope 2 is defined by indirect emissions of greenhouse gas emissions</li> <li>• Definitions of Scope 1 and Scope 2 greenhouse emissions will be as defined in the GHG Protocol</li> <li>• GHG emission intensity calculated as CO2 emitted per square meter of gross floor area</li> </ul>																						
<b>Historical KPI performance</b>	<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													
<b>Materiality</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> </ul>																						
<b>Strategy to achieve KPI SPT</b>	<ul style="list-style-type: none"> <li>• SOL intends to set a roughly 3% annual energy intensity reduction target rate for its operation which will reduce GHG emissions from its operations</li> <li>• 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</li> <li>• 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"> <li>– Using the highest possible design standard</li> <li>– Upgrading to LED lighting systems and using time controls in public lighting</li> <li>– Replacing low energy-efficient mechanical equipment with high efficient ones</li> </ul> </li> </ul>																						

**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 2023, our operations' greenhouse gas emission intensity achieved a 45.88% reduction over the baseline level in 2019.

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 2024

## 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	 <b>SUSTAINALYTICS</b>

## 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<sup>※</sup>:



Green Buildings



Energy Efficiency



Pollution Prevention  
and Control

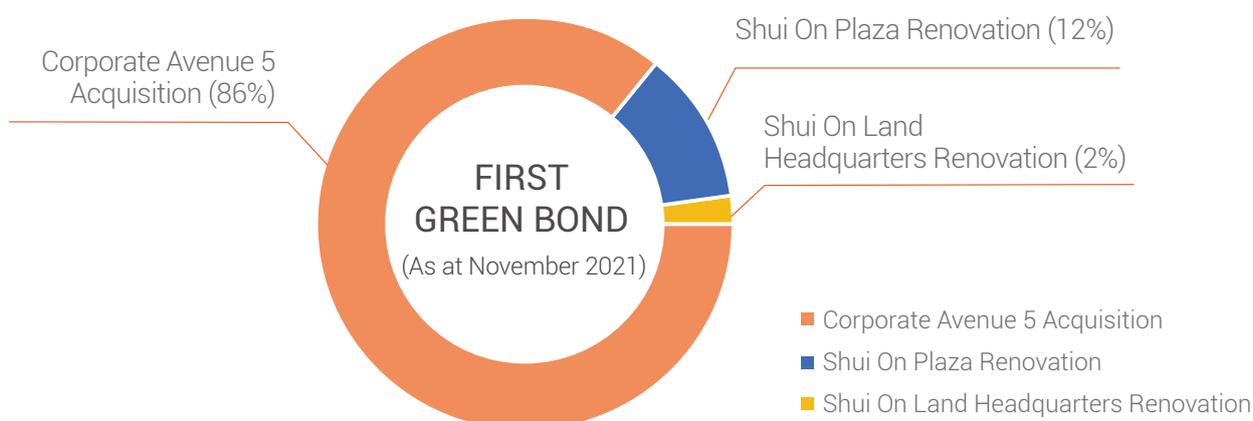
※ For further details, please refer to [Shui On Land Limited Green Finance Framework](#)

# ALLOCATION OF GREEN BOND PROCEEDS

## FIRST GREEN BOND

Category	Projects	Certification	Green Bond Proceeds Allocated <sup>1</sup>	
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				
<b>Total Allocated Proceeds</b>			US\$ 296 million	100%
<b>Total Net Proceeds</b>			US\$ 296 million	100%

<sup>1</sup> As at November 2021



## TAP ON THE FIRST GREEN BOND

Category	Projects	Certification	Green Bond Proceeds Allocated <sup>2</sup>	
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)		
<b>Total Allocated Proceeds</b>			US\$ 199 million	100%
<b>Total Net Proceeds</b>			US\$ 199 million	100%

<sup>2</sup> 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



**Gold Certified  
for LEED CS**

Certification Date  
September 2015



**Three Star  
for China Green  
Building Label**

December 2012

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 18m<sup>2</sup> on the office tower roof
- Total renewable energy generated annually: 79,366 kWh, equivalent to annual carbon emissions avoidance of 63.9 tonnes of CO<sub>2</sub>e

##### *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 CO<sub>2</sub>e/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><b>Gold Certified for LEED CS</b></p>	<p><b>Certification Date</b> 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"> <li>• High performance façade and revolving doors to reduce heating cooling loads</li> <li>• High efficiency chillers, boilers, pumps and ventilation fans</li> <li>• Free cooling system for retail podium</li> <li>• Metering system to monitor energy consumption</li> <li>• High efficiency lighting fixtures and controls</li> </ul> | <ul style="list-style-type: none"> <li>• Annual 14% energy savings compared with LEED V3 baseline, equivalent to 467 tonnes of CO<sub>2</sub>e/yr</li> </ul> |
|--|--|

***Water Conservation***

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



## 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
<b>Energy Efficiency</b>	
<ul style="list-style-type: none"> <li>• LED lighting</li> <li>• High efficiency mechanical equipment and Submetering system</li> </ul>	<ul style="list-style-type: none"> <li>• Annual 31% energy savings compared with LEED V4 baseline, equivalent to 136 tonnes of CO<sub>2</sub>e/yr</li> </ul>
<b>Water Conservation</b>	
<ul style="list-style-type: none"> <li>• Low flow-rate sanitary fixtures :               <ul style="list-style-type: none"> <li>• sensor faucet 1.9L/M</li> <li>• toilet 4.8L/F</li> <li>• urinal 0.5L/F</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Annual 45% water savings compared with LEED V4 baseline</li> </ul>
<b>Indoor Air Quality</b>	
<ul style="list-style-type: none"> <li>• 26 permanent air filters.</li> <li>• G4+F7 fresh air filter in PHU.</li> <li>• Max 28,000 m<sup>3</sup>/h fresh air for 200 people</li> <li>• Low emissions furniture, carpet, paint and coating</li> <li>• Enclosed printing Room</li> </ul>	<ul style="list-style-type: none"> <li>• PM<sub>2.5</sub> 3~10 ug/m<sup>3</sup></li> <li>• PM<sub>10</sub> 4~15 ug/m<sup>3</sup></li> <li>• Formaldehyde 10~25 ppb</li> <li>• CO 0~0.4 ppm</li> <li>• CO<sub>2</sub> 0~800 ppm</li> </ul>
<b>Indoor Water Quality</b>	
<ul style="list-style-type: none"> <li>• Potable water filtration</li> </ul>	<ul style="list-style-type: none"> <li>• TDS 8 mg/L</li> <li>• Turbidity 0.04 NTU</li> </ul>
<b>Indoor Noise Level</b>	
<ul style="list-style-type: none"> <li>• DC fan coil unit</li> <li>• System glass partitions</li> <li>• Noise break gypsum board partitions</li> </ul>	<ul style="list-style-type: none"> <li>• Office: 38~41 dBA</li> <li>• Conference: 33~35 dBA</li> <li>• Public: 44~45 dBA</li> </ul>



## 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><b>Gold Precertification for LEED CS (East Tower)</b></p>	<p>Certification Date February 2021</p>
		<p><b>Gold Precertification for LEED CS (West Tower)</b></p>	<p>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 CO<sub>2</sub>e/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 200m<sup>3</sup>) 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:** 05 June 2024

**Engagement Team:**

Akshay Chandrakapure, [akshay.chandrakapure@morningstar.com](mailto:akshay.chandrakapure@morningstar.com)

Nachiket Goli, [nachiket.goli@morningstar.com](mailto:nachiket.goli@morningstar.com)

## Introduction

Shui On Land Limited ("SOL" or the "Company" or the "Issuer"), based in Shanghai, is a commercial real estate developer, owner, and asset manager in China. Founded in 2004, SOL is listed on the Hong Kong Stock Exchange and is included in the HSCI Composite Industry Index for Properties & Construction.

In 2021, SOL issued a Sustainability-Linked Bond (SLB) under the Shui On Land Sustainability-Linked Bond Framework, where the bond characteristics are associated with one Sustainability Performance Target (SPT) for a Key Performance Indicator (KPI) which is a material sustainability-related issue of the Company. If the SPT is not achieved by the observation date outlined 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. Sustainalytics provided a second-party opinion on the Framework in June 2021.<sup>1</sup>

In 2024, SOL engaged Sustainalytics to review the progress on the achievement against the SPT at the end of 2023.

## Evaluation Criteria

Sustainalytics evaluated the alignment of the SLB with the following elements as previously mentioned in the framework:

1. The progress toward achieving the SPT as mentioned in the framework;
2. Calculation and measurement of the KPI; and
3. The reporting practice of the issuer on the KPI;

**Table 1: SPTs and KPIs**

KPI	KPI Description	SPT (2024)	Baseline (2019)
Scope 1 and 2 GHG emissions intensity (kgCO <sub>2</sub> /m <sup>2</sup> )	<p>The KPI is defined as scope 1 and 2 emission 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: kgCO<sub>2</sub>/m<sup>2</sup></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> <p>For detailed information please refer to Appendix 2.</p>	Reduction of scope 1 and 2 GHG emissions intensity by 25% by 2024 from a 2019 baseline.	62.60 kgCO <sub>2</sub> /m <sup>2</sup>

<sup>1</sup> Sustainalytics, "Second-Party Opinion, SOL Sustainability-Linked Bond Framework", (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)

## Issuing Entity’s Responsibility

SOL is responsible for providing accurate information and documentation relating to its progress towards the SPT, KPI calculation and reporting practices.

## 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 employees and review of documentation to confirm the 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 KPIs and SPTs. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth 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.

## Conclusion

Based on the limited assurance procedures conducted,<sup>2</sup> 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 framework.

## Detailed Findings

**Table 2: Detailed Findings**

Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Sustainability Performance</b>	Review of achieved performance on KPIs to determine if it is aligned with the SPT as mentioned in the framework 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 by 45.88% in 2023 from the 2019 baseline of 62.60 kgCO <sub>2</sub> /m <sup>2</sup> .  Please see Appendix 1 for more details.	None
<b>Calculation and measurement of KPI</b>	Review of Calculation and methodology used for KPIs.	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 2. Carbon intensity calculation includes scope 1 and 2 carbon emissions from wholly or partially owned and operated real estate assets.	None

<sup>2</sup> Sustainalytics’ limited assurance process includes reviewing the documentation relating to the details of the KPIs and SPTs that have been agreed upon, including data on performance of the KPIs, 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.

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<b>Reporting</b>	Review of the reporting practices to make and keep readily available up-to-date information relating to the SPT as mentioned in the framework.	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
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## Appendix 1: Progress towards the Sustainability Performance Target

**Table 3: Shui On Land's scope 1 and 2 emissions and total floor area in 2019 and 2023.**

Reporting Indicator	2019	2023
Carbon Intensity (kgCO <sub>2</sub> /m <sup>2</sup> )	62.60	33.88
Scope 1 Emission (kgCO <sub>2</sub> e)	10,482,469	9,932,098
Scope 2 Emission (kgCO <sub>2</sub> e)	91,483,559	81,182,063
Scope 1 and 2 Emissions (kgCO <sub>2</sub> e)	101,966,028	91,114,162
Gross Floor Area (m <sup>2</sup> )	1,636,573	2,689,447

**Table 4: Performance and Milestones**

KPI	Baseline 2019	2020	2021	2022	2023	SPT 2024
Scope 1 and 2 GHG emissions intensity (kgCO <sub>2</sub> /m <sup>2</sup> )	62.60	52.91	42.31	30.69	33.88	46.95
Reduction over baseline (%)		15.48	32.4	50.97	45.88	25.00

## Appendix 2: KPI calculation methodology details

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

SOL calculates its GHG emissions in accordance with the GHG Protocol's corporate reporting standards.<sup>3</sup> The 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.

<sup>3</sup> 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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