瑞安房地產
SHUI ON LAND

Green Finance Report

2025

June 2025

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About Shui On Land

Founded in 2004 and listed on the Hong Kong Stock Exchange in 2006, Shui On Land (SOL) (Stock Code: 272) is a leading urban solution provider in China, offering a diverse portfolio in top tier cities across China with two core business segments: property development and property investment & management. The company specialises in urban regeneration and the development and operation of communities that prioritise culture, social engagement, and sustainability. Shui On Land is committed to delivering a best-in-class lifestyle through its well-known brands “Xintiandi” and “Lakeville”.

Xintiandi, a community brand developed and operated by Shui On Land, has pioneered the concept of open commercial districts in China. Since its establishment as Shanghai Xintiandi in 2001, the brand has developed a series of notable landmarks in Wuhan, Chongqing, and Foshan. The Xintiandi lifestyle is forward thinking – where the boundaries between live-work-play-learn are blurred. Xintiandi celebrates the diverse cultural and natural heritage of a city, spurring on innovation and sustainability. Lakeville, another brand under Shui On Land, offers luxury living through exceptional product quality and outstanding service, setting new benchmarks for premium lifestyle.

As of December 31, 2024, the company holds a land bank of 8.0 million sq.m. in prime locations across key Chinese cities. Its wholly owned subsidiary, Shui On Xintiandi, serves as the property investment and management arm, making it one of the largest private commercial property managers in Shanghai. This subsidiary oversees a portfolio of RMB 79 billion of office and retail premises in Shanghai, including the flagship Shanghai Xintiandi.

Upholding the principles of integrity, dedication, innovation, and excellence, Shui On Land is committed to “Building a future, sharing a dream.”

About This Report

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

Sustainability-linked Bond Report 2025

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 5C Sustainability 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 one 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	• 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 the building material embodied carbon data. Scope 3 GHG emission reductions are an integral part of the company's overall sustainability strategy and SOL 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	• GHG emission intensity of 62.6 kg/square meter in 2019
Target	• GHG emission intensity that is equal or lower than 46.7 kg/square meter in 2024
SPT	• 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)	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
Alignment with SBTi	• 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	• 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

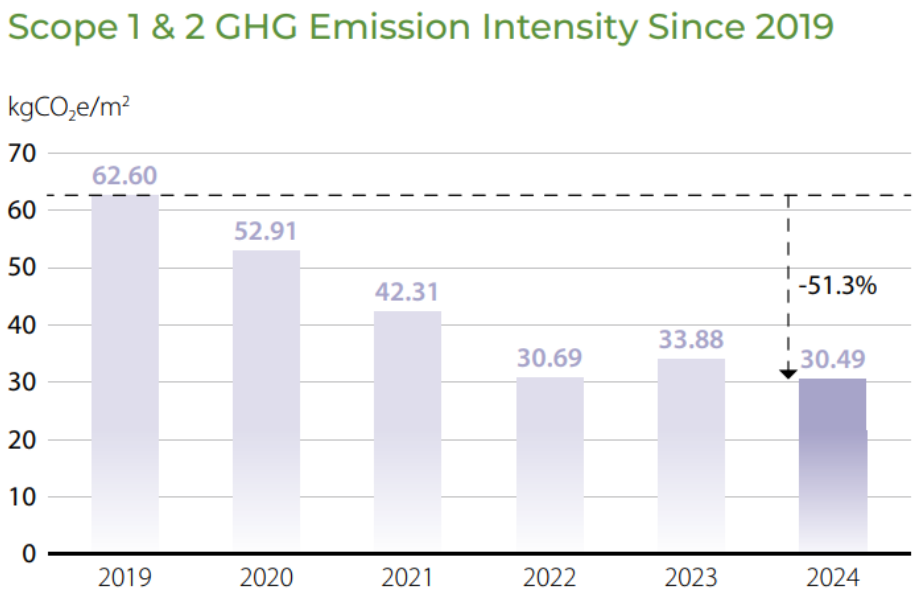
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SOL group average Scope 1 and 2 GHG emissions intensity (kg per square meter)	91.06	85.53	89.74	80.35	75.33	67.79	65.19	64.60	62.60	52.91

Materiality	• 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	• 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: – 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 – Adopting better HVAC control strategy – Building recommissioning in operation
Exclusion criteria	• 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")



In 2024, our operations' greenhouse gas emission intensity achieved a 51.3% reduction over the baseline level in 2019.

Please refer to page 7 to page 12 of this report for details on the Third Party Annual SLB Verification Report by Hong Kong Quality Assurance Agency (HKQAA).

Appendix

Third Party Annual Sustainability-Linked Bond Verification Report
by Hong Kong Quality Assurance Agency

Verification Report

HKQAA Verification Team Leader	Lok Man WONG, Nicholas
HKQAA Verification Team Members	/
Name of Arranger	Standard Chartered Bank UBS AG Hong Kong Branch
Name of Issuer	Shui On Development (Holding) Limited ("SODHL" or the "Issuer"), Shui On Land Limited ("SOL" or the "Parent Guarantor")
Name of Bond/ Credit facilities	Sustainability-linked bond
Scope and Boundary	To perform data verification of the KPI data for the Sustainability-linked Bond which is reported in the SODHL's Data Submission Report for KPI performance of Sustainability-linked Bond for 2024 ("Data Submission Report") using the definitions of KPI specified in the Offering Memorandum as the reporting criteria for the period from 01/01/2024 to 31/12/2024 (the "Selected Information").
Period	January 1, 2024 to December 31, 2024
Criteria	The definitions of KPIs specified in the Second-Party Opinion Report on SODHL's Sustainability Linked Bond (the "SPO Report") are extracted as follow: - **KPI 1: Scope 1 and 2 GHG emissions intensity ($kgCO_2/m^2$)** Definition: The KPI is defined as the Scope 1 and 2 emission intensity of assets that are wholly or partially owned and operated by SOL for at least one year. 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). SOL follows GHG Protocol in calculating the Company's Scope 1 and 2 emissions Unit of measurements: $kgCO_2/m^2$

The definitions of SPTs specified in the SPO Report are extracted as follows:

KPIs		Unit	Base year 2019	SPT for Sustainability Performance Period (12-month period ending 31 December)	
				FY2020	FY2024
1	Scope 1 and 2 GHG emissions intensity ($kgCO_2/m^2$)	kg CO_2/m^2	62.60	52.91	**46.95**

Remarks:
a) Data for baseline year was extracted from the SPO Report.
b) Data for SPT was extracted from the SPO Report.

Actual SPT performance of respective KPIs are summarized in the table below based on the information from the Data Submission Report: -

KPI	Definition	Unit	Base year 2019	SPT-2024	Actual SPT Performance in Reporting Period	Achievement of KPI Setting
1	Scope 1 and 2 GHG emissions intensity ($kgCO_2/m^2$)	kg CO_2/m^2	62.60	**46.95**	30.59	Met

Remarks:
a) Data for baseline year was extracted from the SPO Report.
b) Data for SPT was extracted from the SPO Report.
c) Actual performance of SPTs was extracted from the Data Submission Report.

Exclusion	1. This Verification Report is subject to certain limitations and does not cover the verification of certain data, including but not limited to financial data, revenues, output units, or any other related/similar computation data, etc. 2. Verification of financial information including reporting against which requires information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity are excluded.
Level of Assurance	Limited Assurance
Assurance Approach	Refer to ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information

Part 1: Feedback from the client on pervious verification (if applicable)

Comment from last verifier: N/A
Feedback from Client: N/A
HKQAA comment: (if any) N/A

Part 2: Verification

No.	Content from the Criteria	Observation from HKQAA	Feedback from Client
KPI 1	According to the Data Submission Report, The Scope 1 and 2 GHG emissions intensity is 30.5 $kgCO_2/m^2$. The Scope 1 and 2 GHG emissions for the year 2024 is **86,785,091 $kgCO_2$**. The total floor area is **2,837,434.36 m^2** Therefore, the Scope 1 and 2 GHG emissions intensity = 86,785,091/ 2,837,434.36 = **30.59 $kgCO_2/m^2$**	According to the SPO Report, the Borrower committed to achieve 46.95 $kgCO_2/m^2$ of GHG emissions intensity in year 2024. With reference to the Data Submission Report, 30.59 $kgCO_2/m^2$ of GHG emissions intensity from the Borrower was recorded in year 2024 for the actual performance and the SPT can be met. Carbon emissions are calculated with reference to the emission factors supplemented by the Borrower for document ID" 碳排放计算方法". Scope 1 and Scope 2 GHG emissions were calculated based on the fuel types, respective emission factors and consumption data. The GHG calculation methodology provided by the Borrower was also sampled, reviewed and verified and is in line with the calculation stated in the SPO Report. The raw data and emission calculation related to the electricity consumption was also sampled, verified and in line with the calculation stated in the SPO Report. During the reporting period, the Borrower enhanced the energy efficiency of their green buildings by supplementing two sampled green buildings, demonstrating their commitment to reducing GHG emissions. Additionally, at Shanghai Shui On Plaza, they optimized the central air conditioning system through centralized management and control of auxiliary equipment such as water-cooled main units, water pumps, fans, and valves to ensure efficient operation. They further improved energy efficiency by implementing variable frequency control for circulation water pumps and cooling tower fans, integrating these into an intelligent control system to automatically adjust based on temperature, humidity, and load changes. Upgrades were also made to the 24-hour cooling tower and cooling water pumps with variable frequency drives, resulting in a significant reduction in GHG emissions and satisfactory current performance. Sample record of carbon emissions (Scope 1 and 2) was supplemented by the Borrower for document ID "2024 年 scope1+2 强度明细" on content such as projects, Scope 1 and Scope 2 GHG emissions, areas, emission intensity, etc. Electricity bills are also provided and sampled for calculation of carbon emissions with respective emission factors. The reported KPI performance (i.e., 30.59 $kgCO_2/m^2$) met the requirement for SPT 1 (i.e., 46.95 $kgCO_2/m^2$) and had a 51.1% improvement compared to base year 2019. Based on the Report, the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected information has not been	

		prepared, in all material respects, in accordance with the reporting criteria and is not materially correct.	

Documents reviewed:
1. F1561-HKOCMO-1ESC-OB Data Submission Report for KPI performance 2. Question List 3. SPO Report 4. Business Registration 5. Offering Memorandum 6. 碳排放计算方法 7. 2024 年 scope1+2 强度明细 8. GHG Audit Report 9. Electricity Bills and contracts
Assessor Comment:
Summary: Please refer to details in verification report. **Result:** Please refer to details in verification report. **Follow-up issue:** Please refer to details in verification report.

Opinion by Assessor	
Limitations	There are inherent limitations in performing the assessment. Assurance engagements are based on selective testing of the information and data being examined. It is possible that fraud, error or non-compliance may occur and not be detected. The assessment did not provide assurance on information outside the defined reporting boundary and period. There are additional inherent risks associated with assurance over the information presented in this form against the requirements/criteria of. Such assurance requires information to be assured against source data compiled using definitions and estimation methods developed by the borrower or lender. Finally, assessment of this form against the criteria is subjective and will be interpreted differently by different stakeholder groups.
Conclusion	Please refer to details in verification report.

Signature	Lok	**Signature**	
Name of HKQAA Assessor:	**Lok Man WONG, Nicholas**	**Name of Reviewer:**	Ngan Ling LEUNG, Ivy
Date of the Assessment:	**26/6/2025**	**Date of the Review:**	2/7/2025

End of report.