



HENDERSON LAND
恒基兆業地產

50
years

Sustainable Finance Framework

January 2026





Contents

1.	Introduction	2
1.1	Henderson Land's 2030 Sustainability Vision	3
1.2	Henderson Land's Sustainability Governance Structure	6
2.	Sustainable Finance Framework	7
2.1	Use of Proceeds	7
2.1.1	Eligible Green Project Categories	8
2.1.2	Eligible Social Project Categories	10
2.1.3	Exclusion Criteria	10
2.2	Process for Project Evaluation and Selection	10
2.3	Management of Proceeds	11
2.3.1	Type of Funding Transaction	11
2.3.2	Allocation of Proceeds	11
2.4	Reporting	11
2.4.1	Allocation Reporting	11
2.4.2	Impact Reporting	12
3.	External Review	12
4.	Amendment of the Framework	13
	Appendix I: Hong Kong Taxonomy for Sustainable Finance	14

1. Introduction

Our Corporate Profile

Founded in 1976 and listed in Hong Kong since 1981, Henderson Land Development Company Limited (Stock Code: 12) ("**Henderson Land**"/ "**the Group**") is a leading property developer with a focus on Hong Kong and Chinese Mainland. The Group creates sustainable value for our shareholders, customers, employees, partners and the community by excelling at our professional activities. We develop commercial and residential projects using innovative designs that transform urban landscapes into green and healthy living environments.

Our Vision

Henderson Land aspires to remain a market leader by maximising long-term economic value while creating positive social and environmental impacts.

Business Overview

Henderson Land has a diversified business model, which comprises "three pillars" of property development, property investment, and strategic investments in both Hong Kong and Chinese Mainland. The Group has also adopted a deliberate strategy to maximise the value for shareholders over the long-term.

BUSINESS MODEL



Property Development



Property Investment



Strategic Investments

STRATEGIC DIRECTION



Building for a sustainable future with reasonable land costs



Locating prime sites for property investment with a stable income stream



Participating in the Chinese Mainland market



Strategic investment for constant return



Conservative financial strategy

1.1 Henderson Land's 2030 Sustainability Vision

Sustainability is central to our business philosophy. We address environmental and social issues by integrating sustainable practices into our decision-making processes, as well as into our property planning, development, and management activities.

The Group has established a "2030 Sustainability Vision," which acts as both a catalyst and guiding framework for improving our future sustainability performance. This vision is reflected in our sustainability strategy.

G.I.V.E Strategies

Our 2030 Sustainability Vision has four primary drivers: Green for Planet, Innovation for Future, Value for People and Endeavour for Community, which align with our commitments to the United Nations Sustainable Development Goals ("UN SDGs"). For each of these drivers, we have pinpointed key areas that we intend to focus our efforts on and maximise our impact by 2030.

Green For Planet



Building a Green Portfolio: Reducing our impact on the environment



Focus Area:

- Climate Resilience: Adopt smart and climate-resilient building designs to enhance the adaptability of properties to the adverse effects of climate change
- Environmental Impact: Reduce the environmental impact and carbon footprint of our business model

Innovation for Future



Shaping a Smarter Future: Creating a smart built environment enabled by innovation and technology



Focus Area:

- Technology Innovation: Create new ways of living and working with technology
- Social Innovation: Innovate to better serve our stakeholders and enhance living quality

Value for People



Creating a Caring Culture: Being a caring employer who looks after our people and our partners



Focus Areas:

- Health & Wellness: Ensure the health and well-being of stakeholders through our building designs, operations and services
- Our People, Partners and Customers: Actively engage with our people, partners and customers to address their needs

Endeavour for Community



Establishing a Liveable Community: Providing a more liveable environment that enhances well-being and quality of life



Focus Areas:

- Sustainable Community and Liveable Community: Enhance the living standards and proactively address stakeholders' needs

Henderson Land's Net Zero Commitment

To support the Paris Agreement and contribute to the global effort of limiting temperature rise to 1.5°C above pre-industrial levels and as part of our 2030 Sustainability Vision, the Group took a significant step by committing to the SBTi in 2022 and setting emission reduction targets that are grounded in climate science, and are also aligned with broader climate goals, including Hong Kong's Climate Action Plan 2050 and China's national net-zero target for 2060.

Our near-term, long-term and net-zero targets have been approved by the SBTi in 2024, joining 10,000+ companies worldwide in committing to carbon reduction goals. This significant milestone highlights our dedication to reducing our environmental impact and aligning with international best practices.



Near-term targets:

The Group commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2021 base year, and also commits to reduce absolute Scope 3 GHG emissions from capital goods, use of sold products, and investments 25% within the same timeframe.



Long-term targets:

The Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by FY2050 from a FY2021 base year. The Group also commits to reduce absolute scope 3 GHG emissions from capital goods, fuel and energy-related activities, use of sold products, downstream leased assets, and investments 90% within the same timeframe.



Net-zero target:

The Group commits to reach net-zero greenhouse gas emissions across the value chain by FY2050.

To achieve these ambitious goals, the Group has devised a climate transition plan that outlines strategic initiatives and the allocation of resources to reduce carbon emissions across all operations. The plan fosters cross-departmental collaboration, ensuring that every business unit contributes towards achieving the Group's net-zero objectives. Key initiatives include investments in energy-efficient technologies, enhancing building performance, and integrating renewable energy solutions into our portfolio.

By setting decarbonisation targets, the Group is demonstrating our readiness to address long-term climate risks, support international climate frameworks, and enhance our resilience in an increasingly carbon-conscious economy. This achievement not only exemplifies our ambition in sustainable real estate development but also reaffirms our commitment to shaping a low-carbon, resilient future.

Our primary goal is to minimise energy consumption and resource use while improving energy efficiency. We are also committed to sourcing cleaner energy alternatives through innovative and emerging technologies. To track our progress, we have established individual targets in our 2030 Sustainability Vision that will guide us towards our 2050 commitment to net zero emissions.

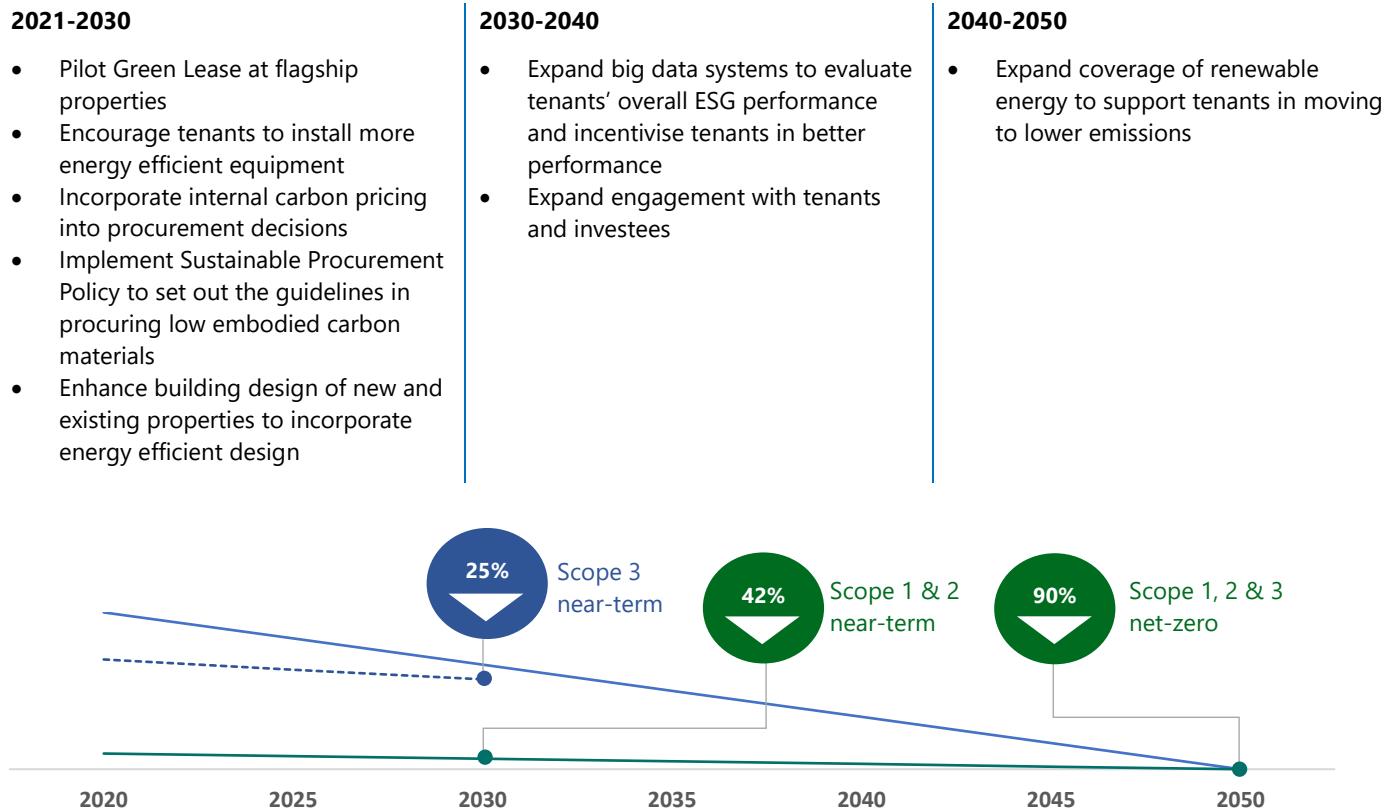
Our Climate Transition Plan Towards Net Zero

Following the establishment of group-wide targets for reducing GHG emissions, which were validated by the SBTi in 2024, we developed a climate transition plan to support our commitment to a lower-carbon future.

The climate transition plan categories our transition levers from three pivotal areas:

- Construction of new developments;
- Management of existing properties; and
- Collaboration with various stakeholders in our ecosystem

Overview of the Group's climate transition plan



2021-2030	2030-2040	2040-2050
<ul style="list-style-type: none">• Continue installation of renewable energy infrastructure in our properties• Conduct energy audits on wholly-owned properties to pinpoint opportunities for saving energy• Explore retrofits for existing properties to increase energy efficiency• Transition from traditional fuel-based vehicles and equipment to electric-based• Transition to greener appliances	<ul style="list-style-type: none">• Collaborate with ecosystem players to increase share of total electricity consumption from renewable sources	<ul style="list-style-type: none">• Explore and invest in other innovative sources of renewable energy to reduce emissions• Purchase Renewable Energy Certificates and Power Purchase Agreements for existing properties where applicable

1.2 Henderson Land's Sustainability Governance Structure

The Board is actively involved in establishing and executing our sustainability strategy and policies, while also evaluating the impact of sustainability issues, including those related to climate and nature, on the Group's operations. The Head of Sustainability Department oversees these sustainability issues, ensuring that they are integrated into the Group's overall strategy and operations. Through the oversight of the Audit Committee, the Group has put in place a risk management system (which covers sustainability issues) that integrates suitable and efficient risk management and internal control mechanisms to address sustainability risks, which also include both climate and nature-related risks in our Enterprise Risk Management.

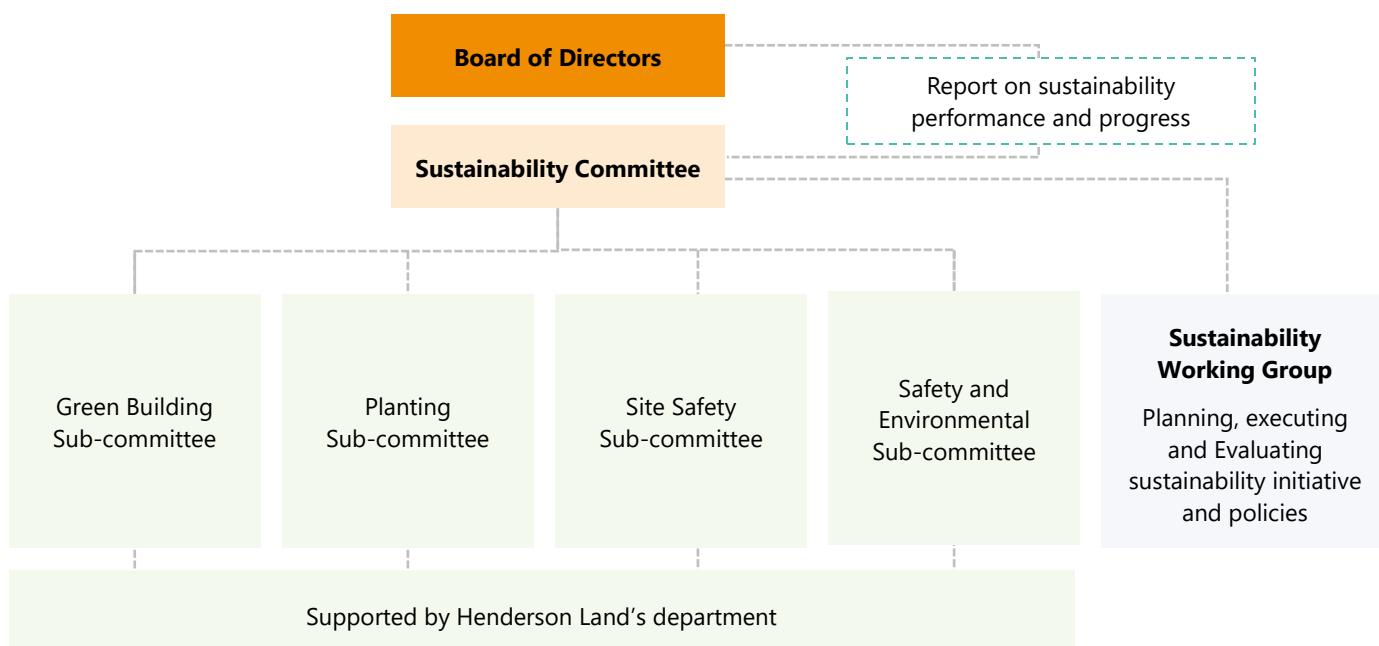
The Board, with the aid of the Sustainability Committee and other relevant committees, approves and monitors the implementation of our sustainability policies. It reviews and approves the Sustainability Report on an annual basis, covering the Group's sustainability strategy, outcomes of stakeholder materiality assessment, and progress towards our sustainability objectives and targets.

Chaired by the Group's Chairman, Dr Lee Ka Shing, Martin and comprising several directors and department heads, the

Sustainability Committee regularly communicates with and supports the Board in supervising sustainability issues by:

- Evaluating, prioritising and managing material sustainability issues
- Managing Henderson Land's overall approach to sustainability
- Overseeing the identification of material sustainability issues
- Developing the Group's sustainability strategy and policies
- Regularly evaluating the Group's sustainability performance and progress made against sustainability targets

To enhance internal involvement and effectively convey our sustainability strategy and objectives across all departments, a Sustainability Working Group, composed of committed team members acting as sustainability advocates and representatives, plays a pivotal role in planning, executing, and assessing our sustainability initiatives. They facilitate company-wide communication on diverse sustainability issues, while also exchanging knowledge and trends on sustainability among internal stakeholders who actively endorse our sustainability strategy.



2. Sustainable Finance Framework

Henderson Land's Sustainable Finance Framework (the "**Framework**") has been developed with the objective of reinforcing Henderson Land's capabilities in financing green and social projects contributing to the UN SDGs.

The Framework governs the issuance of Sustainable Financing Instruments ("SFIs") by Henderson Land and its subsidiaries, including but not limited to bonds/loans:

- Green SFIs to finance and/or to refinance eligible green assets; or
- Social SFIs to finance and/or to refinance eligible social assets; or
- Sustainability SFIs to finance and/or refinance a mix of eligible green assets and eligible social assets

SFIs will include bonds and loans:

- Bonds: bonds issued under this Framework will be aligned with the 2025 Green Bond Principles¹ ("GBP"), the 2025 Social Bond Principles² ("SBP") and the 2021 Sustainability Bond Guidelines³ ("SBG") by the International Capital Markets Association ("ICMA", together the "**ICMA Principles**"), or as they may subsequently be updated.
- Loans: loans issued under this Framework will be aligned with the 2025 Green Loan Principles⁴ ("GLP") and 2025 Social Loan Principles⁵ ("SLP") including Guidance Notes by the Loan Market Association ("LMA"), the Asia Pacific

Loan Market Association ("APLMA") and the Loan Syndications and Trading Association ("LSTA"), or as they may subsequently be updated. Should the loan be used for projects that deliver green and social benefits, the loan will be labelled as "sustainability" loan.

Whenever relevant, SFIs may also align with:

- Hong Kong Taxonomy for Sustainable Finance, or as it may subsequently be updated

The Framework does not place restrictions on the tenor and currency of the SFIs and will be in force as long as there are outstanding SFIs. Henderson Land may update this Framework and commits that any new version will keep or improve the current level of transparency and reporting.

Henderson Land commits to communicate changes with investors via its official website: <https://www.hld.com/en>

The Framework aligns with the four core pillars of the ICMA Principles:

- Use of Proceeds;
- Process for Project Evaluation and Selection;
- Management of Proceeds; and
- Reporting

The Framework also covers the External Review.

2.1 Use of Proceeds

The net proceeds of the SFIs will be used to finance or refinance, in whole or in part, new or existing Eligible Green & Social Projects ("Eligible Projects"), which follow the criteria set out in the Sections 2.1.1 and 2.1.2 below ("Eligibility Criteria").

- The proceeds of a Green Bond/Loan issued under this Framework will be applied to projects that fall under the Eligible Green Project Categories set out in Section 2.1.1 below.
- The proceeds of a Social Bond/Loan issued under this Framework will be applied to projects that fall under the Eligible Social Project Categories set out in Section 2.1.2 below.

- The proceeds of a Sustainability Bond/Loan issued under this Framework will be applied to both Eligible Expenditures with Green focus set out in Section 2.1.1, and Eligible Expenditures with Social focus set out in Section 2.1.2.

In order to be earmarked as eligible, the Projects must align with the following criteria:

- Eligible types of investments: capital expenditures and selected operating expenditures (such as maintenance costs) of projects/ assets meeting the Eligibility Criteria as described in section 2.1.1 and 2.1.2
- Lookback period: Eligible Projects may include refinancing of operating expenditures funded within 36 months prior to the issuance or signing date of the respective SFIs

¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf>

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

⁴ <https://www.lsta.org/content/green-loan-principles/>

⁵ <https://www.lsta.org/content/social-loan-principles-slp/>

2.1.1 Eligible Green Project Categories

Project Category	Eligibility Criteria	Environmental Objectives and UN SDGs
Green Buildings    	<p>Construction of new commercial/ residential buildings and/ or renovation of existing owned and/ or managed commercial/ residential buildings that achieved or is in the progress to obtain at least one of below green building certifications:</p> <ul style="list-style-type: none"> - Hong Kong BEAM Plus – Minimum certification level of <i>Gold</i> or above - Hong Kong BEAM Plus EB (Comprehensive Scheme) – Minimum <i>Gold</i> rating or above - Hong Kong BEAM Plus EB (Selective Scheme v2.0) – Minimum <i>Good</i> rating or above - U.S. Leadership in Energy and Environmental Design (LEED) – Minimum certification level of <i>Gold</i> - Chinese Green Building Evaluation Label (GBL) – Minimum certification level of <i>3 Stars</i> - Or align with the Hong Kong Taxonomy for Sustainable Finance or future updated versions of the document – Construction criteria and thresholds where applicable <p>These green buildings may in addition achieve a certification of the following:</p> <ul style="list-style-type: none"> - WELL Building Standard™ (any level) to improve the environmental health of the building - ActiveScore (any level) to improve the active travel facilities of buildings - SmartScore (any level) to improve, and communicate the user functionality and technological foundations of their buildings - ModeScore (any level) to improve the sustainable transport facilities of buildings - WiredScore (any level) to improve digital connectivity and future readiness of buildings 	<p>Climate Change Mitigation</p> <p>SDG 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p> <p>SDG 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p> <p>SDG 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>SDG 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
Renewable Energy 	Investments and projects in renewable energy such as solar photovoltaic (PV) and associated energy storage solutions and systems.	<p>Climate Change Mitigation</p> <p>SDG 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
Energy Efficiency 	Investments and projects involving the upgrading of facilities/equipment (e.g. cooling system, lift system, lighting system, fresh air supply system) of existing developments. Henderson Land will strive to select projects which achieve an energy efficiency improvement of at least 30%.	<p>Climate Change Mitigation</p> <p>SDG 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and</p>

	<p>Investments and projects with adoption of smart technologies and/or systems for tracking, monitoring and managing energy usage in new and existing buildings to ensure achieving certain energy saving targets.</p>	<p>municipal and other waste management.</p> <p>SDG 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.</p>
Sustainable Water Management 	<p>Building upgrade projects to improve the water conservation of the existing projects, including but not limited to the installation of low-flow water fittings, rainwater tanks and water monitoring and management technologies</p>	<p>Protection of Water and Marine Resources</p> <p>SDG 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>
Clean Transportation 	<p>Infrastructure for clean energy vehicles such as electric vehicles. Projects include charging stations for such vehicles.</p>	<p>Climate Change Mitigation, Pollution Prevention and Control</p> <p>SDG 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p>
Pollution Prevention and Control  	<p>Equipment, system that are used to mitigate environmental pollution (e.g. air, noise, waste) during the construction and/or operation of buildings, such as:</p> <ul style="list-style-type: none"> - Air and noise pollution monitoring / mitigation systems - Waste collection, segregation and recycling systems/ infrastructures 	<p>Pollution Prevention and Control</p> <p>SDG 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p> <p>SDG 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>
Climate Change Adaptation 	<p>Enhancement of building resilience to climate-related weather events and implementation of climate adaptation measures (e.g. facility upgrade, like drainage system upgrade, flood gate installation to reduce the flood risk, curtain wall/window replacement projects to adapt to extreme weather like stronger wind and rainfall, increase in temperature due to climate change)</p>	<p>Climate Change Adaptation</p> <p>SDG 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>

2.1.2 Eligible Social Project Categories

Project Category	Eligibility Criteria	Social Objectives and UN SDGs
Affordable Housing  	<p>Providing land and temporarily vacant units for low-income households⁶ awaiting public housing (such as transitional housing programmes in Hong Kong SAR)</p>	<p>Reduced Inequality</p> <p>SDG 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p> <p>SDG 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p>

2.1.3 Exclusion Criteria

Proceeds will not knowingly be allocated to finance projects or activities that have been assessed by Henderson Land as being any of the following (“**Exclusions**”)

- Luxury sectors (precious metals wholesale or brokerage, precious minerals wholesale or brokerage, artworks and antiques wholesale or brokerage)
- Child labour or forced labour
- Adult entertainment

- Weapons and military contracting
- Alcohol / alcoholic beverages
- Tobacco products
- Gambling
- Fossil fuels
- Nuclear
- Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans.

2.2 Process for Project Evaluation and Selection

Henderson Land’s Sustainable Finance Working Group (“SFWG”) will be responsible for the process for project evaluation and selection as well as the allocation and impact report. The SFWG is composed of representatives from the below departments:

- Treasury Team
- Finance Team
- Business Operations Team
- Project Management Team
- Sustainability Team
- Property Management Team
- Ad-hoc Support Team

The SFWG will meet at least once every 12 months to review and select eligible projects according to the criteria outlined in Sections 2.1 mentioned above.

The SFWG will ensure that the selected Eligible Projects to comply not only with the section of Use of Proceeds but also the environmental and social guidelines under Green Bond Principles and Social Bond Principles which are applicable within Henderson Land, as well as with Henderson Land’s Environmental, Social and Governance Policies which offers risk management tools to mitigate related ESG risks. Projects will be selected with the United Nations Sustainable Development Goals in mind and guided by Henderson Land’s risk management and internal control systems and policies.

⁶ https://app7.legco.gov.hk/rpdb/en/uploads/2023/RB/RB02_2023_20230804_en.pdf



The SFWG has established the Framework and will also be responsible for managing any future updates of the

Framework, including any expansion of requirements of use of proceeds.

2.3 Management of Proceeds

Henderson Land's SFWG will ensure the net proceeds (or an equivalent amount thereto) from each SFIs are utilized in accordance with the Eligible Projects as described in Section 2.1. An amount equaling the net proceeds from each SFI will be earmarked for allocation to Eligible Projects.

Henderson Land will maintain a register to keep track the Use of Proceeds for each SFI, and will adjust the balance of the tracked net proceeds at least annually to match any outstanding SFI(s). To prevent double counting, Henderson Land is committed to track the Use of Proceeds by project and by category in the register. The register will contain the following information, including:

2.3.1 Type of Funding Transaction

Key information includes issuer/borrower entity, transaction date, principal amount of proceeds, repayment or amortization profile, maturity date, interest or coupon, and the International Securities Identification Number (ISIN) number in the case of a bond transaction.

2.3.2 Allocation of Proceeds

- Name and description of Eligible Projects to which the proceeds of the SFIs have been allocated in accordance with the Framework
- Allocation of the proceeds of SFIs to Eligible Projects
- The balance of unallocated proceeds
- Information regarding temporary investments for unallocated proceeds

Henderson Land is committed to allocating all proceeds from the SFIs to Eligible Projects on a best effort basis within two years of the SFI issuance in accordance with the evaluation and selection process set out above.

Henderson Land will monitor the allocation to Eligible Projects and track the net proceeds through its internal accounting system.

Proceeds yet to be allocated towards Eligible Projects may be invested in cash or cash equivalents, as well as short term deposits and money market funds which are in line with Henderson Land's liquidity management policy.

During the life of the SFI issued, if the designated Projects cease to fulfil the Eligibility Criteria as defined in Section 2.1, the net proceeds will be re-allocated to replacement Projects that comply with the Eligibility Criteria as defined in Section 2.1, as soon as reasonably practicable.

2.4 Reporting

Henderson Land will provide information on the allocation of the net proceeds and associated impact of its SFIs via Henderson Land's Sustainability Report, website or any publication medium deemed suitable. Such information will be provided on an annual basis throughout the life of outstanding SFIs until full allocation or in case of any material developments.

The published reports will contain at least the following details:

2.4.1 Allocation Reporting

The Allocation Reporting will provide:

- Confirmation that the Use of Proceeds of each outstanding SFI(s) complies with this Framework;
- Total SFI(s) outstandings
- Aggregate amount of proceeds that has been allocated to Eligible Projects
- Breakdown of Eligible Project by Eligible Category
- Share of proceeds use for financing vs. refinancing purposes, and
- Amount of unallocated proceeds and type of temporary investment at the reporting end-period (if any)
- Illustrative examples describing Eligible Projects to which SFI net proceeds have been allocated (subject to confidentiality disclosures)

2.4.2 Impact Reporting

Subject to data availability and where feasible, Henderson Land intends to report on the environmental and social impacts associated with the Eligible Projects funded with the net proceeds of the SFI(s).

Henderson Land intends to reference the core principles and recommendation as outlined in the Harmonised Framework

for Impact Reporting for Green Bonds (2024)⁷ and Social Bonds (2025)⁸ as published by the International Capital Markets Association.

The reporting calculation methodologies and any assumptions used will be disclosed in the impact report. The relevant metrics could include the following

Eligible Categories	Impact Indicators
Green Buildings	<ul style="list-style-type: none">Building assets by type and green building certification levelEnergy savings per year (kWh)Annual GHG emissions reduced/avoided, reported in tonnes CO₂-equivalent (tCO₂e)
Renewable Energy	<ul style="list-style-type: none">Total renewable capacity (kWh)Energy generated per year (kWh)GHG emissions avoided per year (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none">Energy savings per year (kWh)GHG emissions avoided per year (tCO₂e)
Sustainable Water Management	<ul style="list-style-type: none">Amount of water/wastewater purified or reused (m³) and % reductionWastewater treated per year (m³)
Clean Transportation	<ul style="list-style-type: none">GHG emissions avoided per year (tCO₂e)New clean transportation infrastructure built (number)
Pollution Prevention and Control	<ul style="list-style-type: none">Amount of wastewater/raw or untreated sewage treated before being disposed of and/or amount of wastewater reused (m³)GHG emissions or pollutants reduced/avoided per year (tCO₂e)Amount of waste recycled/ reduced (%)
Climate Change Adaptation	<ul style="list-style-type: none">Number and type of adaptation and resilience measures installedNumber of buildings with climate resilience upgrades
Affordable Housing	<ul style="list-style-type: none">Number of households supportedNumber of housing units provided

3. External Review

Henderson Land has obtained a Second Party Opinion ("SPO") from Moody's to evaluate this Framework. The SPO, together with the Framework will be available on the company's website: <https://www.hld.com/en>

⁷ <https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects>

⁸ <https://www.icmagroup.org/sustainable-finance/impact-reporting/social-projects>



4. Amendment of the Framework

The Framework will be in force as long as there are outstanding SFI(s). Henderson Land will review this Framework on a regular basis. Such review may result in this Framework being updated and amended, in which case Henderson Land intends to obtain an updated SPO as to compliance with the principles set out under section 2. Henderson Land commits to communicating changes with investors via Henderson Land's official website. Future updates to this Framework, if any, will be published on Henderson Land's website and will replace this Framework.

Appendix I: Hong Kong Taxonomy for Sustainable Finance

Selective Construction Criteria and Thresholds:

Renovation of existing buildings	<p><u>A. Renovation of existing commercial buildings</u></p> <p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1) The building renovation leads to a reduction of primary energy demand, energy consumption, or direct GHG emissions of at least 30% against the building's historic average.2) The building renovation enables the building to be at least eligible for the Extra Low in EUI or Level 2 improvement (i.e. 25% reduction) of the Zero-Carbon-Ready Building Certification.3) The building renovation enables the building to be certified under the Net Zero Energy Building Certification. <p><u>B. Renovation of existing residential buildings</u></p> <p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1) The building renovation leads to a reduction of primary energy demand, energy consumption, or direct GHG emissions of at least 30% against the building's historic average. This is proven with measured and verified data.
Construction of new buildings	<p><u>A. Construction of new commercial buildings in Hong Kong</u></p> <p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1) The building must be BEAM Plus certified (to either gold or above) or designed to certify as such, and the Energy Use component of applicant's BEAM Plus Certification must meet at least a minimum of 10 credits under EU2, Performance Path in NB v2.0 / EU1 in NB v1.2 (Reduction of CO2 Emissions) and a minimum score of 70% in Energy Use category and, either:<ol style="list-style-type: none">a) For projects certified under BEAM Plus NB v1.2: 30% energy saving against the BEC 2018 baseline, orb) For projects certified under BEAM Plus NB v2.0: 20% energy saving against the BEC 2021 baseline.2) The building must be certified at least Level 2 improvement (i.e. 25% reduction) in Energy Performance Certification under the Zero-Carbon-Ready Building Certification.3) The building must be certified under the Net Zero Energy Building Certification. <p><u>B. Construction of new residential buildings in Hong Kong</u></p> <p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none">1) The building must be BEAM Plus certified (to either gold or above) or designed to certify as such, and the Energy Use component of applicant's BEAM Plus Certification must meet at least a minimum of 10 credits under EU2, Performance Path in NB v2.0 / EU1 in NB v1.2 (Reduction of CO2 Emissions) and a minimum score of 70% in Energy Use category and, either:<ol style="list-style-type: none">a) For projects certified under BEAM Plus NB v1.2: 30% energy saving against the BEC 2018 baseline, orb) For projects certified under BEAM Plus NB v2.0, 20% energy saving against the BEC 2021 baseline.2) The building must be certified to at least Level 2 improvement (i.e. 25% reduction) in Energy Performance Certification under the Zero-Carbon-Ready Building Certification

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- 3) The building must be certified under the Net Zero Energy Building Certification.

C. Construction of new commercial and residential buildings in Mainland China

Projects should be rated to the third-level of Mainland China's Three Star System.

D. Other certification schemes

These criteria may also be used for buildings in Hong Kong where relevant.

- 1) Certified under Leadership in Energy and Environmental Design (LEED) v4.1 to Gold level and
 - a) Minimum score of 9 points under Energy Assessment Credits; and
 - b) Optimise Energy Performance for 30% improvement above ASHRAE 90.1 in energy performance.
- 2) Certification under NABERS Energy of at least five stars.
- 3) Certification under IFC EDGE is acceptable.
 - a) Buildings in Least Developed Countries (as classified by the United Nations): any level of IFC EDGE certification.
 - b) Buildings in non-Least Developed Countries: IFC EDGE Advanced certification or above.

Exclusions:

Buildings that are dedicated to the extraction, storage, manufacturing, and transport of fossil fuels.

Note: Buildings providing office space to fossil companies for administrative or trading activities are eligible.