

BUILDING A FUTURE
SHARING A DREAM



瑞安房地產
SHUI ON LAND

SUSTAINABILITY REPORT 2024

SHUI ON LAND LIMITED

Incorporated in the Cayman islands with limited liability

STOCK CODE 272

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CHAIRMAN'S MESSAGE

I am honoured to present our 2024 Sustainability Report, which highlights our steadfast commitment to creating thriving communities, advancing environmental progress, and fostering a culture of care and inclusivity. Despite significant structural corrections in China's property market, we have shown strong resilience by adhering to our core sustainability principles. Our balanced approach to financial viability, environmental stewardship and social responsibility has not only strengthened our business but also reaffirmed our position as an industry leader.

Guided by our 5C Sustainability Strategy, we remain dedicated to delivering long-term value for our stakeholders while addressing pressing global challenges. We continue to transform our pledges into measurable outcomes, embedding sustainability into every aspect of our business. More than a moral imperative, sustainability has proven to be a key driver of our strategic advantage.

Building Thriving Communities

Community lies at the heart of our 5C Strategy, and our communities are designed to create vibrant, inclusive spaces where nature, people and culture flourish harmoniously. This year, we celebrated the remarkable success of Panlong Tiandi and Hong Shou Fang, which have become emblems of sustainable urban revitalisation that attracted millions of visitors. These projects showcase our unique ability to blend heritage preservation with modern urban living, establishing thriving neighbourhoods that fuel economic growth, culture vitality, and community connectivity. Similarly, our latest residential development, Lakeville VI, seamlessly integrates sustainability into its premium offerings, achieving record-breaking pre-sales and receiving overwhelmingly positive market response—all underscoring that sustainability remains central to our value creation.



CHAIRMAN'S MESSAGE

The vibrancy and sustainability of our communities depend on active engagement on the part of our tenants and customers. Our pioneering Deep Green Lease programme focuses on co-creating tailored sustainable solutions with our commercial tenants, while initiatives such as the XINTIANDI Flower Market and YEAHH PARK have transformed public spaces into hubs of nature and wellness, engaging over 280,000 participants across the city. These efforts reflect our belief in shared stewardship as the cornerstone of thriving communities.

Driving Environmental Progress

As a responsible developer, we are taking concrete steps to meet our 1.5°C-aligned Science-Based Targets (SBTs). This year, we are proud to announce a major milestone that Shanghai Xintiandi has become the first mixed-use commercial complex in Shanghai's Central Business District to fully transition to renewable electricity. Together with our Nanjing IFC and Wuhan operating properties which have also adopted 100% renewable electricity in 2024 and earlier, the Group has raised its operational renewable electricity usage to 35% portfolio-wide. To address the challenge of embodied carbon emissions, we have strengthened partnerships with suppliers of low-carbon materials, including concrete, cement and steel, embedding lower-emission material requirements into our procurement standards.

Recognising the pressing impact of climate change, we have aligned our resilience planning with global best practices. By conducting comprehensive on-site physical climate risk and transition risk assessments across all our assets, we have identified vulnerabilities to extreme weather events, regulatory shifts, and market transitions. These insights have informed our group-wide climate adaptation strategy, integrating resilience measures into our asset enhancement plans. By future-proofing our portfolio, we are not only safeguarding stakeholder value but also positioning our business to capitalise on emerging opportunities in a low-carbon economy.

Revitalising Traditional Culture, Enabling Local Creators

Culture is the soul of our spaces, and we are steadfast in promoting cultural preservation and urban regeneration. Building on the success of our 3-year partnership with Tongji University in championing urban regeneration, we have co-hosted an urban regeneration summer camp in 2024, engaging professors and young talents from six universities. This initiative nurtures the next generation of talent in urban regeneration while integrating global best practices into local contexts. The launch of our new Cultural IP—the "Xinsheng Festival" at Panlong Tiandi, exemplifies our commitment to bringing heritage to life, making it accessible and appreciated by our customers and visitors. Equally significant is our engagement with local creators through signature programmes such as RanRan and Creators 100, which enable us to build a thriving ecosystem that showcases and supports the creativity of local creators, fostering meaningful connections within our communities.

Fostering Inclusion and Diversity

At the core of our workplace ethos lies a profound commitment to inclusivity, built on years of dedicated advocacy for diversity and inclusion within our organisation. In mid-2024, we published our Diversity and Inclusion Policy, which serves as a guiding framework for our D&I initiatives. Over the past year, we have increased female representation on our Board to 36% from 33% in 2023, marking a cumulative 10% increase over three consecutive years. Our systemic efforts in advancing gender equality have earned us the First Runner-up of the *UN Women's Empowerment Principles 2024 Asia Pacific Award*—a testament to our leadership in our transparency and gender-inclusive disclosure. Additionally, we are honoured that our Vice Chairman, Ms. Stephanie Lo, has been named one of Forbes Asia's Power Businesswomen 2024, recognizing her as one of the 20 visionary women leaders in Asia. This distinguished accolade underscores the remarkable contributions of our female leadership in driving the Group's sustained growth and stability.

An Outlook for the Future

Despite the challenges facing our industry, we remain committed to pursuing a sustainable business as a force for good. We are proud to maintain our MSCI ESG "AA" rating, upgrade to "A" rating in CDP Climate Change, earn recognition as one of China's 40 Most Influential Enterprises on the *Fortune China ESG Impact List*, and receive CDP's Climate Leadership Award for our robust governance and sustainability-related disclosures.

Looking ahead, we will continue advancing our journey toward a net-zero future, fostering inclusive communities, and driving innovation in sustainable development. We firmly believe that sustainability is not merely a response to challenges but a pathway to long-term prosperity.

On behalf of the Board, I extend my deepest gratitude to our management team, colleagues, and stakeholders for their unwavering support and dedication. Together, we are building a future where both people and the planet thrive, embarking on a collective journey toward a more sustainable and inclusive world.



Vincent H. S. Lo
Chairman

Hong Kong, 28 March 2025

ABOUT THIS REPORT

We are delighted to present our eleventh Sustainability Report (the Report) detailing our sustainability performance in 2024. We have been publishing corporate sustainability report annually since 2014. This document spans the reporting period from 1 January to 31 December 2024 for Shui On Land Limited and our three subsidiaries: Shui On Xintiandi Ltd. ("SXTD"), Shanghai Feng Cheng Property Management Limited, and Shui On Construction Co. Ltd. This Report is published on 23 April 2025.

This Report adheres to local and internationally recognised reporting frameworks. It has been prepared in accordance with the Environmental, Social and Governance (ESG) Reporting Guide as outlined in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (HKEX). In light of the climate-related disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD) now incorporated into the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures by the International Sustainability Standards Board (ISSB), HKEX has updated its ESG reporting requirements to align with IFRS S2. Consequently, we are enhancing our climate disclosures to ensure compliance with the upcoming Part D: Climate-related Disclosures of the ESG Reporting Code, effective in 2026. This Report references selected disclosures from the Global Reporting Initiative (GRI) Standards 2021, addressing the Company's core operations and activities. It also references the recommendations of the TCFD, the Sustainability Accounting Standards Board (SASB) for Real Estate Sector Disclosure, and the IFRS S2. In preparing this Report, we followed the Reporting Principles recommended by GRI and outlined in the HKEX ESG Reporting Guide, ensuring the accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability of information. In case of any discrepancies between the Chinese and English version, the English version shall prevail.

The [Performance Data Summary](#) section offers a comprehensive overview of our 2024 sustainability achievements. Standards, methodologies, assumptions, and calculation references are provided where relevant. Wherever practicable, we have employed consistent methodologies in our KPI calculations, noting any changes that might influence meaningful comparisons.

To assist readers in navigating this Report, a content index is provided in the [Appendix](#). This index facilitates easy access to pertinent information concerning our sustainability-related performance. We recommend reading this Report in conjunction with the Shui On Land 2024 Annual Report, particularly the Sustainability Chapter, and the Corporate Governance and Sustainability sections on the [Shui On Land website](#).

Scope and Boundaries

The scope and performance metrics detailed in this Report focus on areas under our operational control, as listed in the Appendix under [Shui On Land 2024 Annual Report](#).

Recognising the varied impacts of our material sustainability topics from both a financial and non-financial perspective, we have delineated how each relates to the core components of our 5C Sustainability Strategy and their respective areas of influence, internally, externally, or both. Further details are available in the [Materiality](#) section and [Appendix – Analysis of Top Material Topics](#).

Endorsement and Approval

The Sustainable Development Executive Committee has endorsed this Report, and the Board has granted its approval on 28 March 2025.

Contact and Feedback

We welcome your valuable feedback for our ongoing improvement. Please direct any comments or suggestions about our sustainability performance and this Report to sustainabledevelopment@shuion.com.cn.

ABOUT SHUI ON LAND

2024 Economic Value Generated and Distributed



Landbank: 8.0¹
(total landbank GFA,
million m²)



Total employee
benefits expenses: 1,022
(RMB million)



Direct economic value
generated revenue: 8,173
(RMB million)

For more information about our revenue stream, and overall economic value generated and distributed, see our [2024 Annual Report](#).

Our Profile and Market Presence

In 2024, the global economy faced persistent headwinds, characterised by economic recalibration, geopolitical instability, and subdued consumer sentiment. China's property sector remained entrenched in structural correction, with the annual sales value and the gross floor area of new residential housing decreased by 17.6% and 14.1%, respectively. Despite government stimulus measures, including relaxed purchase restrictions and reduced mortgage rates, the broader market recovery remained gradual. Amid these challenges, SOL Group's strategic emphasis on "Best-in-Class" developments in resilient tier-one cities and our leadership in high-end residential and mixed-use communities enabled us to navigate volatility and capture emerging opportunities.

Despite the broader downturn in China's property market, the Group's contracted property sales for 2024 increased by 32% compared with those for corresponding period in 2023 to RMB 15,055 million. The Group is uniquely positioned to capitalise on this trend through our Lakeville legacy, a benchmark for luxury living since 2002. In September 2024, SOL launched the first phase of Lakeville VI in Shanghai, with all 108 units fully subscribed on the launch day—demonstrating strong consumer confidence in SOL and the enduring value of the Lakeville brand.

SOL's commercial portfolio also demonstrated remarkable resilience by delivering strong rental income growth. Including properties held by joint ventures and associates, total rental and related income increased by 9% year-on-year to 3,547 RMB million in 2024, of which 77% was contributed by our portfolio in Shanghai. Our Xintiandi communities, which embody a lifestyle deeply rooted in local cultural and natural heritage, have attracted visitors from around the world. Panlong Tiandi, our "Urban Retreat" that has become a new cultural landmark for the Yangtze River Delta area and a new destination combining cultural heritage, modern lifestyle, and community engagement. During the Spring Festival period of 2025, Panlong Tiandi attracted more than 970,000 visitors. Total foot traffic for 2024 exceeded 18 million. Meanwhile, the CPIC Xintiandi Commercial Centre, our next major commercial development currently under construction in Shanghai, comprising three premium Grade-A office towers and a retail podium, the Xintiandi Galleria, an all-weather leisure area featuring Shanghai's largest panoramic canopy. This new landmark seamlessly blends cultural storytelling with innovative retail experiences, further advancing the city's urban regeneration agenda.

Looking ahead, SOL will continue to reinforce our leadership position to benefit from these changing market dynamics. By aligning with policy tailwinds, innovation in space, content, and service, and Shanghai's enduring appeal to elite buyers, we remain committed to shaping thriving, future-ready communities that redefine urban living.

Shui On Land (SOL)² 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".

As of 31 December 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, including the flagship Shanghai Xintiandi.

1 5.8 million m² of leasable and saleable area, and 2.2 million m² for clubhouses, car parking spaces and other facilities.

2 References to "SOL", "us", "our" or "we" refer to Shui On Land Limited (the "Company") and its subsidiaries and the businesses carried on by such subsidiaries, except where the context makes it clear otherwise. References to "the Group" refer to Shui On Land Limited as well as the other companies of Shui On Group.

ABOUT SHUI ON LAND

Shanghai



Shanghai Taipingqiao



The Hub



KIC Shanghai



Hong Shou Fang



Ruihong Tiandi



Panlong Tiandi



Inno KIC



Riverville

Wuhan



Wuhan Tiandi



Wuhan Changjiang Tiandi



Innovation Tiandi

Nanjing



Nanjing International Finance Centre



Inno Zhujiang Lu



Baiziting

Chongqing



Chongqing Tiandi

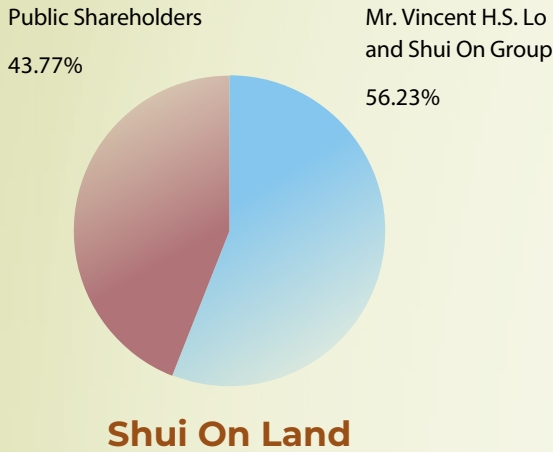
Foshan



Lingnan Tiandi

ABOUT SHUI ON LAND

Shui On Land is jointly owned by the Shui On Group and public shareholders. Our major business segments include property development, property investment, property management, and construction.



Property Development

Property Investment

Property Management

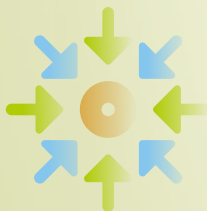
Construction

Shui On Land was listed on the Hong Kong Stock Exchange on 4 October 2006. The Company is included in several key indices, such as the Hang Seng Composite Index, the Hang Seng Composite Industry Index—Properties & Construction, the Hang Seng Composite SmallCap Index, the BI China Real Estate Owners and Developers Valuation Peers, and the Bloomberg ESG Data 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.

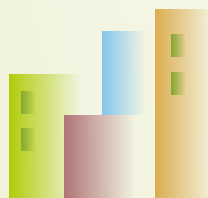
Shui On Spirit and Our Vision

Positioned to be a pioneer in developing and operating sustainable premium urban communities, we strive for world-class excellence in management, planning, execution, and corporate governance at every level of all our operations. Rooted in our core ethos, we leverage our expertise in urban regeneration to create communities that prioritize culture, social interaction, and sustainability.



Shui On Spirit

- Integrity
- Dedication
- Innovation
- Excellence



Our Vision

Building a future,
sharing a dream



Our Mission

To become the leading
urban solution provider in China

SUSTAINABILITY LANDSCAPE OF CHINA

Amid ongoing changes in global climate patterns, the climate change situation in 2024 has reached an unprecedented level of severity. Extreme heat and heavy rainfall events have become more frequent, with the World Meteorological Organisation confirming 2024 as the warmest year on record. According to the “Blue Book on China Climate Change (2024),” the average annual temperature in China has steadily risen by 0.3°C per decade over the past 40 years—a rate significantly exceeding the global average. These extreme weather events are not coincidental; they are a direct reflection of the severe imbalance in the Earth’s climate system. This trend in climate change has profoundly impacted the real estate industry, forcing the sector to confront significant challenges and the urgent need for transformation.

In response to these challenges, the real estate market has undergone profound shifts towards sustainable development, marked by a series of notable trends. At the policy level, the government has reinforced its commitment to sustainable energy integration through comprehensive regulatory frameworks. The National Development and Reform Commission has released a special guidance document, which emphasising the integration of renewable energy into urban planning and construction, the promotion of green building standards in new urban developments, and the strengthening of requirements for renewable energy substitution in electricity, heating, and gas.

Despite the economic headwinds, the recent enhancement of sustainability disclosure requirements in China further underscores a resolute commitment to sustainable development. Five years into its established target, China remains focused on achieving peak carbon dioxide emissions before 2030 and reaching carbon neutrality by 2060. This ambitious goal underpins the country’s efforts to enhance sustainable development, including the “1+N” policy framework, the launch of the national emissions trading scheme, and the establishment of a voluntary carbon market. In April 2024, the Shanghai, Shenzhen, and Beijing stock exchanges announced the *Sustainability Report Guidelines*, representing a pivotal shift towards more concrete and actionable requirements for sustainability disclosures among listed entities. Additionally, the Ministry of Finance released a draft of the *Corporate Sustainability Disclosure Standards – Basic Standards*, aiming to establish a nationwide corporate sustainability disclosure standard and system by 2030.

SOL has actively aligned with these policies through pioneering practices. Guided by our 5C Strategy, we not only embraced sustainability as a core value but also leveraged it as a strategic asset to bolster our financial viability and operational resilience. By integrating sustainability principles into our core business practices, the 5C Strategy enables us to proactively navigate dynamic regulatory requirements, positioning us as a frontrunner in sustainable business practices and reinforcing our long-term competitiveness.



2024 – AT A GLANCE

Clean

- Achieved **51.3%** reduction in Scope 1 & 2 carbon emissions intensity and **28.1%** reduction in Scope 3 downstream leased asset emissions intensity from 2019 baseline
- Shanghai Xintiandi transitioned to **100% renewable electricity** for all its operational properties since 1st July 2024
- The Group's operational renewable electricity usage increased to **35%** portfolio-wide
- Established a low-carbon material supplier inventory for concrete, cement and steel, and embedded material emission requirements into procurement standards. Achieved a **70,089-tonne** reduction in embodied carbon in 2024
- Conducted physical climate risk on-site assessment across all operating properties, and completed Group- and asset-level transition risk scenario analysis to proactively align with evolving regulations
- **Over 96%** of existing assets by GFA obtained green or healthy building certifications, with Shui On Plaza achieving LEED v4 O+M **Platinum certification** in 2024³
- Published Group Biodiversity Policy and deepened our partnership with The Nature Conservancy (TNC) through pioneering urban biodiversity stewardship and education initiative

Community

- Hong Shou Fang received the **MIPIM Asia 2024 Gold Award** for Best Cultural, Educational, and Urban Regeneration Project
- Embedded Shui On Land's **Nine Principles** of Sustainable Urban Development across the entire project lifecycle—from development to asset management—to create sustainable communities with a unique identity
- Achieved Green Pledge signatories from **99.8%** of F&B tenants, **97.7%** of retail tenants, and **92.9%** of office tenants by leasing area
- Scaled our pioneering "Deep Green Lease" programme and implemented circular furniture solutions for office tenants across **20,000 m²** of leased space
- XINTIANDI Flower Market and YEAHH PARK transformed public spaces into hubs for nature and wellness, engaging **over 280,000 participants** citywide
- Continued partnerships with Shanghai Climate Week and the Hong Kong University of Science and Technology, and initiated the GI Pioneer Lab to foster a green and sustainable innovation ecosystem

Performance across the 5C Pillars

Care

- Earned **1st runner-up** at the UN Women's Empowerment Principles 2024 Asia Pacific Award (Transparency and Disclosure category)
- Published a standalone Diversity & Inclusion Policy
- Increased women's representation on our Board to **36%**, a 10% rise over the past three years
- Achieved an average of **44 training hours** per employee
- Delivered occupational health and safety training to **100% employees**
- Contributed **14,323 employee volunteer hours**

Culture

- Co-hosted an urban regeneration camp with Tongji University as part of a 3-year partnership, engaging professors and young talents from six universities and curated SOL's experience into educational resources to scale sector-wide expertise
- Established Shui On Land Historic Preservation and Regeneration Committee to upskill employees in historical building preservation and adaptive reuse
- Launched the **"Xinsheng Festival"** at Panlong Tiandi to revive traditional festival and cultural heritage, attracting **126,000** visitors and showcased **90+** cultural performances
- Collaborated with UCCA on the "RanRan" Young Artist Incubation Programme, engaging **400+** young artists and fostering the next-generation of local artists

Corporate Governance

- Strengthened our whistleblowing protocols and policies through comprehensive revision of our Irregularity Reporting Policy
- Delivered training on business ethics and ESG-specific topics to all employees through **10+ sessions** covering responsible marketing and advertising
- Updated Information Safety Policy to enhance information and data security
- Conducted regular simulated cybersecurity breach drills

³ Other assets achieving green and healthy building certification in 2024 include Shanghai Panlong Tiandi, Shanghai Lakeville VI, Shui On Plaza, and Hong Shou Fang.

2024 – AT A GLANCE

Demonstrating our strong commitment to sustainability, we have established quantitative targets within the framework of our 5C Sustainability Strategy. We are delighted to report significant achievements in our objectives by 2030:

Pillar	Key target	FY2024 progress
Community	Achieve a satisfaction rate of more than 90% in our customer and occupant satisfaction survey by 2030	Achieved 95% of overall customer and occupant satisfaction in our properties in 2024
	Design and curate 100+ programs per year across our portfolios through 2030	63
	Support 150 innovators/start-ups through our incubation program or entrepreneurship community by 2030	110
Clean	Reduce Scope 1 and 2 GHG emissions intensity by 62.4% by 2030 from a 2019 base year	Reduced 51.3%
	Reduce Scope 3 GHG emissions from purchased goods and services by 22% by 2030 from a 2019 base year	Established low-carbon material supplier inventory and embedded material emission requirements into procurement standard
	Reduce Scope 3 GHG emissions intensity from downstream leased assets by 22% from a 2019 base year	Reduced 28.1%
	Reduce operational energy intensity by 20% by 2030 from a 2019 base year	Reduced 18%
	Reduce operational water intensity by 20% by 2030 from a 2019 base year	Reduced 42.7%
	Divert 45% of operational waste from landfill by 2030	33.5%
Care	Achieve an average of 40 hours of training per employee per year by 2030	44 average hours
	Achieve a cumulative of more than 150,000 volunteer hours by 2030 (compared to 2019)	211,798 accumulated volunteer hours from 2019
Corporate Governance	Maintain 100% implementation of Code of Conduct and Business Ethics for all employees across all business units	100%
	Communicate with 100% of contractors (construction) and suppliers (operations) to ensure they acknowledge the implementation of the Supplier Code of Conduct	100%

Sustainability Benchmarks and Indices

We disclosed relevant data and management approaches in accordance with the requirements of major local and global sustainability-related benchmarks and indices. In 2024, we are pleased to attain remarkable results in the following benchmarks and indices.

HKQAA

AA-
HKQAA Sustainability
Rating and Research



AA
MSCI ESG Rating



4 stars
GRESB (SCOV² only)



A
CDP (Climate Change)



Hang Seng Corporate
Sustainability Index Series

Constituent
Hang Seng Corporate
Sustainability
Benchmark Index

APPROACH TO SUSTAINABILITY

Shui On Land 5C Sustainability Strategy

Since the establishment of Shui On Land, we have strived to become a pioneer in developing and operating sustainable premium urban communities. Our business approach integrates financial success with a commitment to sustainability, creating positive social and environmental impacts, as well as contributions to local and broader economies. Sustainability is a cornerstone of our operations and is integral to our corporate mission of becoming the leading urban solution provider in China.

In 2020, we introduced our 10-year 5C Sustainability Strategy, which built on five core pillars—Community, Clean, Culture, Care, and Corporate Governance—expanding our commitment beyond the traditional ESG framework. Following a strategy review in 2022, we refined our 5C Sustainability Strategy to place the “Community” pillar at its heart, aligning it with our corporate mission and positioning. This strategy seamlessly integrates environmental stewardship, cultural vitality, social equity, and ethical governance into every aspect of our operations. It also provides a clear roadmap with measurable targets for the short-, mid-, and long-term targets across each of the 5C Pillars to achieve our sustainability goals by 2030.

With robust sustainability foundations now in place, we are advancing into the implementation phase of our 5C Strategy. This pivotal stage focuses on transitioning planning into action through embedding sustainability principles into our development and asset management processes and setting sustainability benchmark across our product types. Through this rigorous approach—aligning master-planning, design, procurement, construction and asset operations with our sustainability targets—we aim to turn commitments into tangible, measurable outcomes.



Community	Clean	Culture	Care	Corporate Governance
<p>Aspiration:</p> <p>A neighbourhood grows sustainably as it matures. And a network of people with a clear sense of belonging, well-being and character.</p>	<p>Aspiration:</p> <p>Advance our pathway towards net zero carbon. Embed wellness, efficiency, resource circularity and climate resilience in all places and communities we create and manage.</p>	<p>Aspiration:</p> <p>Demonstrate leadership in conserving, revitalising and enhancing local culture that enriches cultural vibrancy, authenticity, diversity and creativity of our communities.</p>	<p>Aspiration:</p> <p>Build a safe, healthy and inclusive environment that enhances the wellbeing and holistic development of our employees, and for our employees to be able to collectively contribute to society.</p>	<p>Aspiration:</p> <p>Become a trusted partner for all stakeholders by ensuring the highest standards of business ethics and risk management.</p>
<p>Priorities:</p> <ul style="list-style-type: none"> Master planning and development Community wellbeing and spirit Vibrancy Sustainable lifestyles and work solutions Smart and sustainable technology integration 	<p>Priorities:</p> <ul style="list-style-type: none"> Decarbonisation Climate adaptation Biodiversity Healthy communities and buildings Resource management and circularity 	<p>Priorities:</p> <ul style="list-style-type: none"> Traditional culture revitalisation and enhancement Local creativity and creator Cultural exchange 	<p>Priorities:</p> <ul style="list-style-type: none"> Talent development Wellbeing, health and safety Diversity and inclusion Shared value for society 	<p>Priorities:</p> <ul style="list-style-type: none"> Sustainability governance and transparency Emergency preparations and risk mitigation Highest standards of integrity in our business operation and supply chain



APPROACH TO SUSTAINABILITY

Alignment with UN SDGs

Our 5C Sustainability Strategy contributes to the United Nations Sustainable Development Goals (UN SDGs), with our sustainability goals and KPIs aligning with specific targets and indicators. These also assist us in measuring our progress in addressing critical sustainability issues.



Community

- 
11.6 / 11.7
 Focusing on air quality and waste management to mitigate cities' adverse environmental effects and providing universal access to safe, inclusive, and accessible green public spaces.
- 
12.2 / 12.8
 Advancing sustainable management and efficient resource use in building and procurement and disseminating sustainable development knowledge and lifestyles within our community and supply chain.

Clean

- 
3.9
 Reducing illnesses from hazardous chemicals, air, water, and soil pollution and contamination – by ensuring quality air in our developments through continuous monitoring and purification.
- 
6.4
 Enhancing water-use efficiency by upgrading our facilities.
- 
9.4
 Increasing resource-use efficiency to cut our CO2 emissions by upgrading our facilities.
- 
12.5
 Innovating waste and recycling practices to significantly lower waste generation via prevention, reduction, recycling, and reuse.
- 
13
 Boosting resilience and adaptive capacity to climate-related hazards and natural disasters by preparing for emergencies and reducing carbon emissions.
- 
17.7
 Engaging in public-private and civil society partnerships to promote sustainable building practices.

Culture

- 
11.4
 Enhancing efforts to protect and preserve cultural and natural heritage through the conservation and revitalisation of cultural and historic sites.
- 
17.17
 Supporting public-private and civil society partnerships to preserve cultural heritage.

Care

- 
5.5
 Creating more opportunities for women in management positions within our organisation.
- 
8.8
 Complying with local labour rights regulations and fostering a safe and secure working environment for all employees.
- 
16.b
 Implementing and advocating non-discriminatory policies to prevent discrimination or harassment among our staff.

Corporate Governance

- 
12.6
 Embracing sustainable practices and incorporating sustainability information into our reporting cycles.
- 
16.5
 Strengthening corporate governance to eliminate corruption and bribery in all forms.

APPROACH TO SUSTAINABILITY

Sustainability Governance

Rooted in our 5C Sustainability foundation, the Group recognises the vital role of leadership in embedding sustainability governance and performance at both the Board and executive levels. This governance commitment shapes our organisational culture, operational practices, and business relationships. To ensure cohesive execution of the 5C Strategy, cross-functional expertise and collaboration across 5C Pillars is imperative, requiring clearly defined roles, responsibilities, and accountability mechanisms to drive aligned and effective implementation.

A Statement from the Board

We recognise that robust governance fosters a culture of ethical behaviour while minimising business risk. To this end, we have established a comprehensive corporate governance framework, internal controls, and risk management systems to ensure that our operations are conducted with integrity. Our approach to managing and overseeing sustainability-related issues is integrated into our business strategy, influencing how sustainability tasks are incorporated into everyday operations.

Our Sustainability Governance Structure



APPROACH TO SUSTAINABILITY

The Board bears ultimate collective responsibility for effective risk management and internal control mechanisms, as well as for assessing their efficacy in protecting our assets and shareholder interests. The Board consistently evaluates current and potential risks confronting our business, including sustainability concerns. Through regular risk identification, analysis, and strategic review of our metrics, targets, and internal controls, the Board devises and refines measures to manage and mitigate these risks.

The implementation of our 5C Sustainability Strategy is initiated and overseen by our Board Sustainability Committee, which provides direct support to the SOL Board to ensure that our 5C Sustainability Strategy is synchronised with our business operations.

Our progress for each 5C Pillars is overseen by the Sustainable Development Executive Committee (SD EXCOM), comprising Vice Chairman, the CEO, Executive Directors, Senior Director and the Chief Sustainability Officer (CSO). The Committee convenes quarterly to review the progress of sustainability KPIs, address emerging sustainability matters, make informed decisions, and examine the integration of sustainability across our business operations.

The CSO spearheads the integration of sustainability into our strategy and operations, and provides guidance to the Sustainable Development Department in developing corporate sustainability policies, formulating and executing our sustainability strategy. The Sustainable Development Department provides technical solutions and coordinates external and internal sustainability communications and training with relevant departments. It also monitors the overall progress of the Group in meeting its short- to long-term sustainability goals. Operational implementation of specific proposals and goals is entrusted to business units and departments, coordinated by five cross-departmental working teams (the 5C Teams).

Since 2022, we have taken key steps to strengthen our sustainability governance and ownership. Sustainability-related Key Performance Indicators (KPIs) covering areas such as carbon reduction, employee health and safety, talent development, and diversity and inclusion, are linked to the compensation of key executives and sustainability team members, including the CEO, CFO, CSO, and SD EXCOM, as well as department and project heads of SOL and its subsidiary companies including Feng Cheng Property Management and Shui On Construction.

Our sustainability governance framework is indicative of the importance we place on aligning leadership and decision-making with sustainability goals. It not only oversees the strategy's deployment across our businesses but also reinforces our objective setting and reporting processes. We view leadership in sustainability at the Board and executive levels as fundamental to weaving sustainability management and performance into our corporate fabric, operational practices, and business relationships.



APPROACH TO SUSTAINABILITY

Stakeholder Engagement

At Shui On Land, we are dedicated to consistently engaging with stakeholders about sustainability. Our engagements extend beyond reporting and include active two-way communication, responding to stakeholders' expectations, and incorporating their feedback directly into our strategic planning. This collaborative approach underpins our sustainable business growth.

We have identified nine key stakeholder groups that significantly impact, or are impacted by, our performance.

Our Key Stakeholders	Communication Channels	The Value of Our Relationship
Government and regulatory authorities	<ul style="list-style-type: none"> • Press release • Social media • Conferences, meetings and site visits • Joint projects • Working committees and consultations • The Proposal of the Members of the CPPCC • Face-to-face meetings 	National policies on environment and land acquisition significantly influence our operational approach and future business strategies. Good cooperation with government entities at all levels is crucial for our business success and the expansion of our sustainability initiatives.
Shareholders	<ul style="list-style-type: none"> • Events • Corporate website and newsletter • Regular meetings and interviews 	Strong sustainability performance is attractive to shareholders who are focused on creating long-term value. We actively listen to our shareholders to align our interests and ensure a resilient, future-oriented business.
Tenants and customers	<ul style="list-style-type: none"> • Surveys • Customer service mobile applications • Community events • Joint projects 	Tenants and customers drive our commitment to providing sustainable and ethical services. Their engagement in sustainability bolsters loyalty, service quality, and our brand image. We prioritise understanding and meeting their needs to adapt to their changing preferences.
Investment partners	<ul style="list-style-type: none"> • Sustainability rating agencies • Interviews and meetings • Newsletters • Events • Investor day 	Investors scrutinise our sustainability performance and impact. Understanding the concerns of our investment partners, who co-own assets with us, is vital for alignment and cooperation.
Co-developers	<ul style="list-style-type: none"> • Industry events • Joint projects • Multi-stakeholder meetings, seminars, and conferences • Project meetings 	Our engagement with co-developers is rooted in shared commitment to sustainability and innovation, driving us towards collective vision for a better built environment. Together, we commit to advancing sustainable development, leveraging our collaboration to overcome challenges and foster mutual success.
Suppliers and contractors	<ul style="list-style-type: none"> • Annual supplier meeting • Project meetings and briefings • Supplier screening and assessments • Joint projects • Surveys • Forums 	Our supply chain's environmental and social impacts are significant. Integrating suppliers and contractors into our 5C Sustainability Strategy creates shared value and amplifies our sustainable impact. Collaborating on sustainability goals is key to our strategy's success.

APPROACH TO SUSTAINABILITY

Our Key Stakeholders	Communication Channels	The Value of Our Relationship
Employees	<ul style="list-style-type: none"> • Townhall meetings • Management annual meeting/ project regular meeting • Executive face-to-face events • Training sessions • Forums • Surveys and interviews 	Our employees are at the heart of our operations and essential to the 5C Sustainability Strategy. Listening to their concerns, needs, and ideas is imperative to attract and retain top talent and fulfil our sustainability goals.
Society and the public	<ul style="list-style-type: none"> • Press release • Social media • Corporate advertisements • Company website • Sustainability reports 	Maintaining a positive public image and community license to operate is essential for achieving our sustainability goals. We engage with the public to address their concerns and fulfil our corporate vision and mission.
Media	<ul style="list-style-type: none"> • Corporate website • Press release • Interviews 	We engage with media to promote awareness of sustainability and communicate SOL's green initiatives, leveraging mainstream news and information channels.

In reviewing our strategic priorities in 2024, we sought a deeper comprehension of our key sustainability topics and learned from industry best practices and trends, supplementing our routine stakeholder activities.

During the year, we connected with diverse groups, including employees, investors, tenants, suppliers, consumers, and the media, to gather their perspectives on material sustainability issues, ensuring their insights shape our strategy. We conducted 10 face-to-face interviews with internal stakeholders and an online survey engaging both internal and external stakeholder groups. These engagements have been pivotal in understanding perceptions of our 5C Sustainability Strategy and identifying opportunities for SOL to enhance investor appeal and mitigate future risks.

The formal responsibility for stakeholder engagement on sustainability lies with the Board Sustainability Committee. Additionally, various departments receive ongoing stakeholder feedback, systematically elevating relevant issues through the 5C teams to the Sustainable Development Executive Committee as needed, which advises the Board as necessary.

An independent consultant was employed to assist with the stakeholder engagement survey and interviews, along with a double materiality assessment, to refine the prioritisation of sustainability topics. This process included consideration of sustainability trends, international reporting standards, stakeholder expectations, and opinions on our sustainability performance and strategy, all in the context of Shui On Land's business operations.

APPROACH TO SUSTAINABILITY

Materiality Assessment

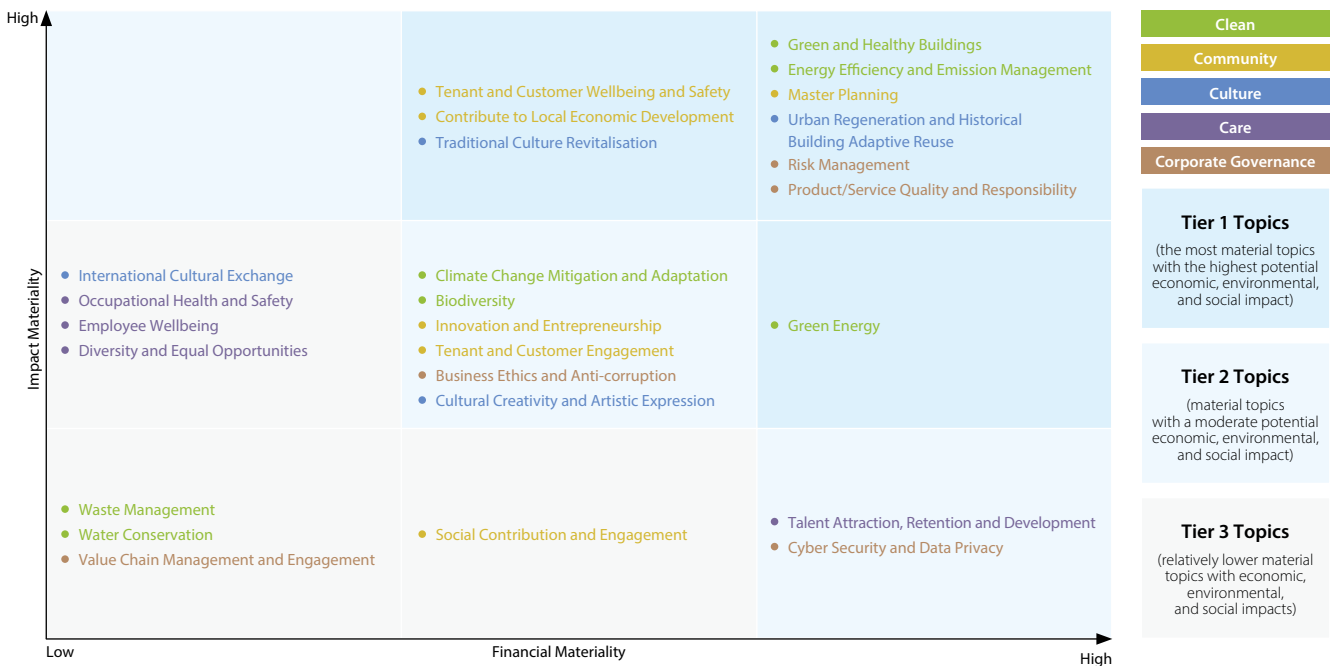
The materiality assessment process is crucial in identifying and prioritising sustainability topics that are significant to the Company's operations, development, and stakeholders. Below is a summary of our approach:



Double Materiality Assessment

This year, we have adopted the double materiality approach to take into account both financial materiality, which assesses the economic impact of sustainability issues on our business, and impact materiality, which evaluates the social and environmental implications of our operations.

In line with the latest industry trends and our business focuses, we have renamed three material topics to provide a more accurate description on SOL's material topics: "Social Contribution and Engagement," "Urban Regeneration and Historical Building Adaptive Reuse," and "Traditional Culture Revitalisation."



For detailed information on the six Tier-1 material topics identified through our Double Materiality Assessment, which have the most significant impacts on SOL's business operations, the environment, society and on the economy, please refer to the [Appendix – Analysis of Top Material Topics](#).

OUR PERFORMANCE IN 2024 – COMMUNITY

Community

2024 Highlights

Hong Shou Fang received the **MIPIM Asia 2024 Gold Award** for Best Cultural, Educational, and Urban Regeneration Project



Embedded Shui On Land's **Nine Principles of Sustainable Urban Development** throughout the entire project lifecycle—from development to asset management—to create sustainable communities with a unique identity



Achieved **Green Pledge** signatories from 99.8% of F&B tenants, 97.7% of retail tenants, and 92.9% of office tenants by leasing area



Scaled our pioneering **“Deep Green Lease”** programme and implemented circular furniture solutions for office tenants across 20,000m² of leased space



XINTIANDI Flower Market and **YEAHH PARK** transformed public spaces into hubs for nature and wellness, engaging over 280,000 participants citywide



Continued partnerships with **Shanghai Climate Week** and the Hong Kong University of Science and Technology, and initiated the GI Pioneer Lab to foster a green and sustainable innovation ecosystem



Shui On Land is committed to creating vibrant communities for today and the future. By leading in master-planning and cultivating innovative, entrepreneurial ecosystems, we address community needs while seamlessly integrating health and sustainability into our services. At the same time, we strive to uphold industry best practices for safety and wellbeing, and actively engage our stakeholders and partners in advancing sustainability efforts.

Our refreshed 5C Sustainability Strategy and 2030 ambitions underscore our focus on community as a strategic priority, envisioning economically and emotionally enriching, diverse, and self-evolving communities. Through collaboration between the 5C Teams, Sustainable Development Department, and other units, we continuously refine our community-centric business strategies and practices, reinforcing our competitive advantage within the real estate sector. Further details can be found in the [Community](#) section of our company website.



OUR PERFORMANCE IN 2024 – COMMUNITY

Master Planning and Development

Since its establishment, Shui On Land has remained steadfast in its commitment to being an industry leader in master planning, aiming to be a pioneer of sustainable premium urban communities. Our master-planning approach ensures inclusiveness, vibrancy, and a high quality of life by prioritising community wellbeing and spirit. This is achieved through a focus on community health, pet-friendly initiatives, public education and tenant-oriented sustainability engagement in our daily operation. We firmly believe that a sustainable urban community is a place where people can live, grow, and realise their values.

With a clear vision, an innovative mindset, and extensive international experience, our master-plan approach—guided by

the *Nine Principles of Sustainable Urban Development of Shui On Land*—has enabled us to create large-scale, mixed-use, sustainable communities. For all new large-scale community developments, we ensure sustainability is a core component of our master-planning process, and put in place a sustainability plan to give direction to sustainability target-setting for each individual land lot within the community, guiding design process, procurement strategies, and construction practices.

Our projects not only celebrate and enhance local history and culture but also align with the developmental aspiration of local governments. By focusing on balancing human needs with nature, our design creates vibrant, integrated communities that revitalise urban spaces and offer sustainable solutions.

Revitalising Fengxian Nanqiao's Cultural Legacy and Pioneering a Future Urban Model through Strategic and Sustainable Master-planning

On 30 October 2024, Nanqiao Town in Fengxian District signed a cooperation framework agreement with SOL for the **“Beigang City Village”** urban regeneration project. By inheriting and revitalising local cultural legacy of Nanqiao, this project envisions a future urban model where nature and life coexist harmoniously, with waterfronts seamlessly integrating with community vitality, thereby elevating the urban development of Fengxian District.

The project plans to develop a diverse range of functions, including residential, commercial, parks, schools, and cultural facilities, while fully retaining key existing site elements and preserving the cultural memory of Nanqiao.

Leveraging our extensive expertise in overall planning, cultural preservation, and community operations, Shui On Land will provide comprehensive professional management for project development, marketing, and asset management operations. Through urban waterfront renewal and community building, the project not only aims to attract talent but also support Fengxian's vision of becoming a comprehensive ecological and liveable hub in southern Shanghai. It enhances the well-being of Nanqiao residents, and promotes the high-quality development in Fengxian's new city.



Fengxian Beigang City Village urban regeneration project

OUR PERFORMANCE IN 2024 – COMMUNITY

Securing internationally recognized green and healthy community certifications—such as LEED for Neighbourhoods or WELL Community Standards—serves as both a rigorous validation of our sustainability practices and a strategic catalyst for fostering vibrant and healthy neighbourhoods. This commitment aligns with our mission to urban revitalisation, under which we conduct thorough investigations and remediation for any potential projects on previously developed sites to ensure compliance with the highest national safety standards prior to development. A prime example is Wuhan Changjiang Tiandi, located on the original site of Wuhan Shipyard. After decades of industrial use, this land is now being revitalised into a mixed-use development featuring Grade 5A office buildings, five-star hotels, Xintiandi waterfront commercial blocks, and riverside international settlements, all designed to provide Wuhan residents a transforming living environment and lifestyle.

At SOL, we prioritise sustainable building design and open spaces in our master-planning, working collectively with carefully selected design partners and suppliers while leveraging smart technologies. Sustainability design requirements are integrated into our product standards, and our ultimate goal is to deeply embed sustainability across our systems and processes. To support this ambition, we have established clear standards to include climate-related considerations in all development projects, both commercial and residential. We will continue to pursuing green and healthy certifications for all new community developments from the earliest planning phase.

Community Wellbeing and Spirit

Nurturing community wellbeing and spirit is at the heart of our efforts to create vibrant, thriving neighbourhoods where people enjoy living, working, and engaging in recreational activities. Centred on three key pillars—health, nature, and inclusiveness—we aim to develop communities that holistically enhance residents' wellbeing and quality of life.

In our pursuit of healthier urban communities, Shui On Land has partnered with the Well Living Lab since 2023 to explore how community development and operations affect resident health and wellbeing, as well as to define the concept of healthy communities. By gathering insights from over a thousand survey participants and referencing the WELL Community Standard, this collaborative research examines how design, planning, and management influence community health. In 2024, we benchmarked eight existing and future SOL communities against the WELL Health Community Standard, further integrating these principles into our master-planning and design frameworks.

Embracing a Natural Lifestyle

SOL is committed to creating content and experiential activities that encourage a natural lifestyle, offering urban dwellers opportunities to connect with nature and embrace meaningful life experiences.

Rejuvenating Community Spirit in Knowledge and Innovation Community (KIC) and Ruihong Tiandi

Knowledge and Innovation Community (KIC): Located in Shanghai's Wujiaochang business district, KIC is a vibrant city district with Jiangwan Stadium as its centrepiece. In late 2023, SXTD launched the **YEAHH PARK** project, establishing an urban sports paradise community platform at the stadium. Together with KIC's outdoor public spaces, this platform hosted more than 700 community activities in 2024, engaging more than 230,000 participants. In 2025, we expect both the scale of events and their impact to expand, reinforcing KIC's role as a dynamic hub for community spirit and social connectivity.

Ruihong Tiandi: In July 2024, ahead of the Paris Olympics, Ruihong Tiandi collaborated with the Hongkou District Sports Bureau to host the **Hazajin Sports Festival**. This six-week event promoted community engagement and healthy lifestyles through sports, with over 100 activities attracting more than 10,000 participants. By leveraging commercial platforms to support these community initiatives, we successfully fostered a strong community spirit centred on health, earning recognition and support from both the public and the government.



YEAHH PARK sports market (top)

Hongkou District Ruihong Tiandi Hazajin Sports Festival (bottom)

OUR PERFORMANCE IN 2024 – COMMUNITY

In 2024, the “XINTIANDI Flower Market” was launched in SXTD to evoke the cultural memories of city residents while introducing a vibrant, green, customer-friendly commercial environment that enhances consumer engagement and vitality. The flower market featured over 40 brands and attracted over 50,000 visitors, meeting the grown urban desire for a closer connection with nature.

Inclusiveness: A Core Element of Community Health

Inclusiveness is at the heart of our strategy for fostering community health. Committed to addressing the diverse needs and abilities of all individuals, Shui On Land creates spaces where everyone feels a sense of belonging, support, and shared identity.

In 2024, SOL finalised its Inclusiveness Design Guideline for Open Space, introducing the requirements for five key demographic categories: the elderly, mothers with infants, children, people with disabilities, and pet owners. Our developments now feature inclusive amenities such as wheelchair-accessible restrooms, ramps, lifts, nursing rooms and pet-friendly facilities, ensuring enhanced comfort and convenience for all community members. Through regular surveys, we gather valuable feedback on accessibility and inclusivity, allowing us to refine our facilities and implement additional enhancements where necessary. This customer-centric approach helps us fine-tune our facilities and to meet evolving needs of our communities.

Ruihong Tiandi Hall of the Moon: A Semi-Open, Pet-Friendly District

In 2024, **Ruihong Tiandi Hall of the Moon** transformed into a semi-open, pet-friendly district, catering to the needs of pet owners and animal enthusiasts. The community features a comprehensive pet-friendly map to guide users to pet-friendly facilities such as pet drinking stations, pet stroller rental station, and a pet-exclusive elevator.

To foster a vibrant pet-centric culture, Ruihong Tiandi Hall of the Moon hosts regular Sunday pet community activities. Currently, five social media-based pet communities with 797 members provide platforms for pet owners to share experiences, exchange second-hand supplies, and participate in group purchases of pet products.

Nine pet-friendly business partners, including pet care services, pet-friendly cafés, and pet supply stores contribute to these events by offering products, services, and expertise. With nearly 50 Sunday pet events being hosted at Hall of the Moon, these activities not only entertain but also educate participants on responsible pet ownership.

The district also actively welcomes pet-focused tenants, including pet care services, pet photography studios, and charity organisations hosting pet related art exhibitions. Certified as one of the pet-friendly commercial entities by the China Cultural Administration Association's Pet Culture Professional Committee, Ruihong Tiandi Hall of the Moon has solidified its reputation as a truly pet-friendly community.

By catering to the needs of pet owners and animal enthusiasts, Ruihong Tiandi Hall of the Moon promotes community well-being, strengthens social connections, and enhances the overall quality of life for all residents and visitors.



Pet Sports Day at the Hall of the Moon

OUR PERFORMANCE IN 2024 – COMMUNITY

Vibrancy

A vibrant and engaging community thrives on the balance between its physical environment and its residents. At Shui On Land, we are committed to fostering this balance through well-designed spaces that encourage interaction, collaboration, and a sense of belonging. We recognise that the vibrancy of a community is driven not only by its infrastructure but also by the people who bring energy, life and dynamism to these spaces.

The first phase of the Study on Public Space in Shui On Community was successfully concluded in 2023, establishing a comprehensive framework for developing and managing public spaces. This research delivers insight into enhancing the quality of life and advancing diverse lifestyles frameworks through community-centred placemaking. In 2024, SOL began implementing the Shui On Green Space Development Model

Guidelines across all new projects, ensuring a unified approach to designing and managing public spaces. Public spaces play a crucial role in community development, underpinning functionality, and strengthening unique qualities and competitiveness of our communities. By leveraging green public spaces in our communities, we aim to develop products and experiences that enrich the natural and healthy living environment of our communities.

This year, at Panlong Tiandi we organised **CAMLab⁵** cultural courses and intangible cultural heritage programmes for children to help them connection forge deeper connections with their community. By integrating humanistic inquiry with cutting-edge technology and design, CAMLab explores innovative ways of showcasing art and culture through immersive installations, exhibitions, films, digital publications, and other multimedia forms.

Hong Shou Fang – The Vibrant Core of the Chang Shou Road Community

Established in 1933, Hong Shou Fang is located on Chang Shou Road in Puto district, a renowned commercial street in West Shanghai. Over four years of development, the project has transformed a constrained and irregularly shaped plot into a vibrant new community hub, standing out amidst fierce competition from nearby retail spaces. At its core is an innovative commercial space—**Hong Shou Fang Foodie Social**.

The project embraces and integrates local lane culture, preserving the original charm of the space while introducing unique brands that embody the concept of *“small yet beautiful, and distinctly different.”* By tapping into a variety of local cultural resources, it has created a multifunctional public space for socialising, leisure, and shopping, revitalising both the site and its surrounding area. This transformation has provided residents with an exemplary neighbourhood shopping benchmark within a 15-minute walk, aptly described as *“the ideal neighbourhood.”*

In 2024, Hong Shou Fang received the **MIPIM Asia 2024 Gold Award for Best Cultural, Educational, and Urban Regeneration Project**, and was honoured with **“Excellence Award”** in the **“First Shanghai Urban Regeneration Outstanding Practice Case”**, a prestigious recognition hosted by the Shanghai Municipal Bureau of Planning and Natural Resources. In addition, Hong Shou Fang was recognised as an outstanding example of community impact, receiving the **Excellent Creative Award** in Shanghai’s “15-Minute Community Life Circle” humanistic and cultural competition. These achievements underscore how Hong Shou Fang has successfully modernised while preserving its historical character, setting a benchmark as a project that not only honours local cultural heritage but also meets the demands of modern living.



Hong Shou Fang Foodie Social

5 CAMLab is referring to the Harvard Faculty of Arts and Sciences CAMLab.

OUR PERFORMANCE IN 2024 – COMMUNITY

SXTD Partnered with CAMLab to Take Children on a Journey to Uncover the Secrets of Ancient Chinese Culture

In 2024, SXTD partnered with CAMLab to host the “Culture Class” exhibition, tailored for children aged six to 13. Building on the exhibition’s theme, we developed a unique culture class that delivers a fun and interactive learning experience for children. Using a STEM learning approach of “discussion-creation-experimentation,” children attend exhibitions, construct traditional bracket structures, and test their creations on seismic platforms.

The course is structured around three key stages:

1. Building a foundation of cultural knowledge
2. Appreciating three immersive artworks presented by the Harvard University China Arts Studio
3. Engaging in hands-on activities to experience Chinese culture

This enduring artistic journey offers children a deeper understanding of the profound spiritual significance and intricate structural logic behind traditional Chinese art and architecture.



SXTD partnered with CAMLab to host the “Culture Class” exhibition

Sustainable Lifestyles and Work Solutions

Our live-work-play-learn community concept is designed to unite communities, fostering connections and promoting shared well-being. Recognising the critical roles of tenants, customers, suppliers, and stakeholders in shaping sustainable lifestyles, we emphasise quality building services, after-sales support, and a focus on health and safety. This commitment has helped to establish trust across our portfolio. We integrate health and sustainability into the community experience, ensuring the wellbeing of both tenants and customers.

Tenant and Customer Wellbeing and Safety

Our customer-service culture prioritises understanding and responding to customer needs to enhance the overall experience. Ensuring the wellbeing and safety of everyone interacting with

our developments is paramount. We provide healthy, comfortable, and eco-friendly services, supported by stringent internal quality standards. Under the management of our ISO 9001 certified subsidiary, Feng Cheng Property Management, we ensure that all of our properties meet rigorous compliance standards and consistently achieve high levels of customer satisfaction.

We actively engage with tenants and customers through various communication channels, including emails, meetings, newsletters, and social media, to cater to their needs. Satisfaction levels are regularly measured via questionnaires, while, comprehensive complaint handling guidelines ensure timely and effective issue resolution.

To reinforce wellbeing and safety, we launched an Environmental, Health, and Safety (EHS) training program for tenants in 2024. Topics included environmental management, food safety, fire risk, and electrical safety. The result was impressive, with 95% of our retail tenants completed this online training.

OUR PERFORMANCE IN 2024 – COMMUNITY

Tenant Engagement and Collaboration

Catering to different needs of tenants, we adopt a three-tiered approach to tenant engagement in sustainability:

1. “Connect”: Encourages tenants to participate and raises awareness of sustainability issues.
2. “Commit”: Involves tenants pledging to take action on key topics, with SXTD offering support and connecting them to resources.
3. “Co-Create”: Establishes shared goals, commits resources, and fosters collaboration on innovative sustainable solutions.

Regular feedback collection helps us tailor services to tenants’ evolving needs and support their sustainability efforts.

We launched the **Green Pledge** in 2021 to encourage low carbon living and environmental responsibility among tenants and suppliers. It encourages office and retail tenants to minimise waste, reduce electricity and water consumption, as well as offering “Green Menu” with healthy, plant-based options. By 2024, the Green Pledge was signed by 99.8% of F&B tenants, 97.7% of retail tenants, and 92.9% of office tenants by leasing area—marking a 10% increase on average compared to 2023.

Our pioneering **Deep Green Lease** programme, introduced to foster commitment and co-creation, sets clear action plans and measurable indicators for sustainable outcomes. This year, we expanded this initiative by partnering with three additional office tenants at Shui On Plaza, The HUB, and Ruihong CA, focusing on energy efficiency, plastic waste reduction and recycling. To support sustainable practices, we provide benefits, such as financial incentives, value-added services, access to sustainability experts, and ongoing guidance. This represents our shift from advocacy to concrete action.

To empower tenants in embracing sustainability and innovation, Shui On WORKX established a strategic partnership with WeWork in June 2024, launching the **Hybrid Easy 2.0 campaign** to redefine the future of workspaces. This collaboration aims to create a cutting-edge ecosystem, setting new industry trends in the workplace landscape. Additionally, the **GO 4 GREEN initiative**, a collaborative effort between Shui On WORKX and the Industrial Bank Shanghai Branch, continues to offer financing solutions for tenants pursuing sustainable workplace environments.

A notable example of our tenant engagement is our collaboration with MAIA ACTIVE, where we innovatively transformed a retail space into a yoga studio at night using mobile shelves. Through initiatives like this, we continue to promote sustainable living and enrich the urban lifestyle of our communities, demonstrating our commitment to the environment and the wellbeing of all stakeholders.

Sustainable Solutions Launch the “10x10 Asia Green Action Plan” at Shanghai Climate Week

On 24 April 2024, the forum “**Transforming Climate Technology, Transcending Urban Future**” brought together 30 experts and over 100 corporate representatives to discuss advances in climate technology. Co-organised by the China ESG Alliance and the Sustainable Solutions Alliance, the event showcased the launch of the “**Top 10 Climate Technologies to Watch in 2024**” and introduced the Sustainable AI Assistant. The day featured keynote speeches, panel discussions, and exhibits from 12 organisations, concluding with roundtable discussions hosted by SOL. These dialogues focused on “Green Future” and “Collaborative Action” aimed at creating a multi-stakeholder ecosystem for advancing climate technology, and transitioning from concepts to actions for a greener, sustainable future.

Additionally, the forum unveiled the “**10x10 Asia Green Action Plan**”, an upgraded version of “10x10 Asian Sustainable Solution” framework, aligned with B Corps’ BIA assessment standards. Jointly developed by the Sustainable Solutions and InnoSpace, this intellectual property offers 100 sustainable solutions across 10 innovative themes. The updated “10x10 Asia Green Action Plan” provides companies with a comprehensive roadmap for green transformation, encompassing areas such as environmental management, green certification, and sustainable buildings.

Among the 20 initial participating brands are SXTD tenants, benefitting from enhanced social image, expanded market opportunities, and alignment with sustainable development goals while leveraging industry advantages.



The “Transforming Climate Technology, Transcending Urban Future” forum hosted during the 2024 Shanghai Climate Week

OUR PERFORMANCE IN 2024 – COMMUNITY

Supplier Collaboration

At SOL, we are committed to fostering sustainability across our entire value chain. We work with over 7,760 suppliers, including contractors, consultants, and service providers essential to our operations. From security to cleaning, timely specialised equipment maintenance, and construction, suppliers are critical to delivering quality projects and the delivery of superior services.

We recognise the importance of responsible supplier management in achieving our sustainability goals. To ensure high standards, we have implemented standard procedures and processes guided by our Health, Safety, and Environment Handbook. This document outlines our social and environmental standards, and informs supplier selection process. Since 2013, we have employed a comprehensive evaluation system to ensure suppliers align with our sustainability criteria. Compliance with our Code of Conduct and Business Ethics is mandatory for all suppliers and is enforced through contractual agreements, and we have integrated our Supplier Code of Conduct into all contracts to reinforce our commitment to ethical business practices. To maintain high management standards, we mandate our Tier-1 suppliers and nominated Tier-2 suppliers to hold valid ISO 9001, ISO 14001 and ISO 45001 certifications, ensuring sound quality, environmental, and occupational health and safety management systems are in place. In addition, we enforce strict material health and safety requirements for building materials and furniture that may impact indoor environmental quality, requiring these products to obtain China Environmental Labelling (Type 1) Certification to guarantee conformance with our rigorous health and environmental standards.

We are dedicated to quality and sustainability by implementing measures that go beyond industry norms and national requirements. After construction is complete, we provide a comprehensive two-year warranty, with our headquarter Project Management team actively monitoring the maintenance performance of handed-over projects. Unlike the common practice, where property management typically rely on external contractors for maintenance, SOL, as the developer, takes a proactive role in managing maintenance during the warranty period. This includes addressing issues such as plumbing, facades and electricity, ensuring timely and effective resolutions. Since 2023, we further advanced our sustainability efforts by introducing stringent requirements for low-carbon materials and encouraging our suppliers to meet these ambitious targets. For more information about our low-carbon material certification mandates, please refer to the [Clean](#) chapter.

We have established a robust supplier management framework. Besides day-to-day operation, quarterly performance evaluations are conducted for Tier-1 supplier, including main contractors, nominated subcontractors and material suppliers. We mandate main contractors to oversee Tier-2 suppliers and ensure that ESG-related requirements are incorporated into their contracts. Additionally, we engage third-party inspectors for bi-monthly site inspections, with findings reviewed during regular inspections and quarterly evaluations. Quarterly assessments of project contractors and suppliers are conducted, and, in cases of underperformance, we take corrective action—including coaching, termination and blacklisting—if necessary. In 2024, all assessed parties successfully met our performance benchmarks. By cultivating strong relationships with our suppliers and partners, we encourage alignment with our values and sustainability expectations.

To ensure the effectiveness of our sustainability efforts, we have deployed a robust tracking and monitoring system. **Shui On Cloud Construction System**, a digital management platform, was designed to streamline ESG data collection for our construction activities. The system compiles monthly supplier metrics, such as low-carbon materials, water and energy consumption, air quality, workforce attendance, and safety and educational training. Additionally, it captures real-time data on weather, electricity, water usage, and construction waste. This collaborative approach with suppliers ensures adherence to ESG standards for construction management, while upcoming measures aim to elevate sustainability, social accountability, and governance across all projects. Benefits of this system include improved ESG performance, increased supplier accountability, and more efficient construction management.

Our commitment to sustainability extends to building supplier capacity through training and support. Strategic and main contractor suppliers undergo regular training to ensure familiarity with our standards and sustainability practices. The **Supplier and Contractor Forum**, launched in 2023 and continued in 2024, provides annual training on our Code of Conduct, quality assurance standards, and the Group's sustainability vision under the 5C Sustainability Strategy. Additional resources include external supplier training, specialised embodied carbon training workshops, online courses and internal workshops. Rather than ending partnerships with suppliers struggling to meet our standards, we focus on providing constructive guidance, support, and training to enhance their sustainability efforts.

OUR PERFORMANCE IN 2024 – COMMUNITY

Smart and Sustainable Technology Integration

Building a thriving innovation ecosystem is essential for addressing today's social and environmental challenges. At SOL, we support innovators and entrepreneurs through dedicated platforms, with the aim of becoming a comprehensive one-stop hub for start-ups. In 2024, we have advanced this mission through:

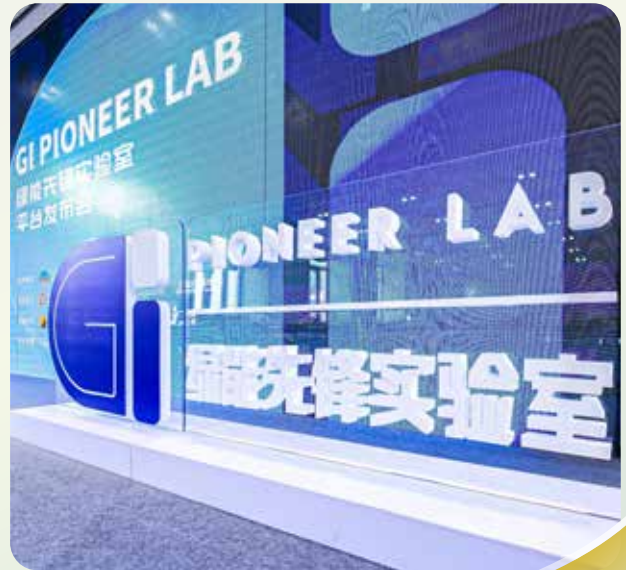
- Partnering with the **Hong Kong University of Science and Technology Shenzhen-Hong Kong Collaborative Innovation Research Institute** to develop four research projects, with pilot programmes concept-proving across our properties.
- Hosting 12 IPO roadshow days and over 30 community events at **Innospace Shanghai**, engaging approximately 2,000 participants and supporting 36 enterprises.
- **RayVC**, our investment platform, continued to invest in three key areas: data infrastructure, energy solutions, and technological innovation on future cities.
- In June 2024, **RayVC** hosted an innovation summit in Shenzhen's Futian District, partnering with **UrbanLab** and focusing on AI and sustainable urban development. The event attracted over 50 experts and more than 500 participants from government, academia, and industry.
- Launching the **Green Future Innovation Alliance** in collaboration with ULI, HKUST SZ-HK Collaborative Innovation Research Institute, Shui On Xintiandi and Ray VC.

Launch of the GI Pioneer Lab to Accelerate Clean Energy Tech Incubation and Commercialisation

In September 2024, the **GI Pioneer Lab** was launched in Shanghai, marking a significant milestone in the green energy innovation ecosystem of the Yangtze River Delta.

Jointly initiated by SXTD, Yield Capital, Shanghai Penta Innovation & Entrepreneurship Institute, and Shanghai Cloud Valley, the lab focuses on incubating and deploying green energy technologies. The launch event coincided with the Yangtze River Delta preliminary round for the **"Smart Technology, Green Energy" Zero Carbon Technology Entrepreneurship Competition**, showcasing seven innovative projects in hydrogen fuel cells, carbon capture, and smart microgrids. This event was well received with approximately one hundred participants from different stakeholder groups.

This lab highlighted a collaborative effort among government, enterprises, research institutions, and universities to enhance green energy technology development, and commercialisation, contributing to a low-carbon economy.



The GI Pioneer Lab launching event

OUR PERFORMANCE IN 2024 – CLEAN

Clean

2024 Highlights

Achieved a **51.3% reduction** in Scope 1 & 2 carbon emissions intensity and **28.1% reduction** in Scope 3 downstream leased asset emissions intensity from 2019 baseline



Shanghai Xintiandi transitioned to **100% renewable electricity** for all its operational properties since 1st July 2024



The Group's operational renewable electricity usage increased to **35% portfolio-wide**



Established a **low-carbon material supplier inventory** for concrete, cement and steel, and embedded material emission requirements into procurement standards. Achieved a **70,089-tonne reduction** in embodied carbon in 2024



Published Group Biodiversity Policy and deepened our partnership with **The Nature Conservancy (TNC)** through pioneering urban biodiversity stewardship and education initiative



Over 96% of existing assets by GFA obtained green or healthy building certifications, with Shui On Plaza achieving **LEED v4 O+M Platinum** certification in 2024



Conducted physical climate risk on-site assessment across all operating properties, and completed Group- and asset-level transition **risk scenario analysis** to proactively align with evolving regulations



Green Building Certifications in 2024

DEVELOPMENT	CERTIFICATION SCOPE	CERTIFICATION AWARDED
Shanghai Panlong Tiandi Lot 05A-04	Residential	China Green Building Label, One Star
Shanghai Panlong Tiandi Lot 05B-03	Residential	China Green Building Label, One Star
Shanghai Panlong Tiandi Retail	Retail	China Green Building Label, One Star
Shanghai Lakeville VI Lot 069-1	Retail	LEED v4 Core and Shell Gold (Pre-certification)
Shanghai Lakeville VI Lot 071-1	Retail	LEED v4 Core and Shell Gold (Pre-certification)
Shanghai Xintiandi	Community	LEED v4 Neighbourhood Development Certification, Gold
Shui On Plaza	Office and Retail	LEED v4 Operation and Maintenance Platinum

Since 1997, our commitment to environmental sustainability has been rooted in the pioneering Shanghai Xintiandi development—a master-planned project of historical significance. In line with China's sustainable development goals, we have consistently maintained our dedication to developing vibrant, green, and healthy communities. Our efforts encompass reducing carbon emissions, strengthening climate resilience, optimising indoor air quality, reducing waste and water usage, and preserving urban biodiversity.

Guided by our 5C Sustainability Strategy, our 2030 goals and priorities shape our clean environmental management approach, which can be found on the [Clean](#) section of our company website.

OUR PERFORMANCE IN 2024 – CLEAN

Decarbonisation

Decarbonisation Target on Scope 1, 2 and 3 Emissions

SOL is proud to be the first real estate developer from mainland China to participate in the Science Based Targets initiative (SBTi). Achieving net-zero emissions by 2050 stands as a cornerstone of our sustainability strategy where our decarbonisation roadmap aligned to the 1.5°C science-based target.

Our approved SBTs include:



A 62.4% reduction in Scope 1 and 2 GHG emissions intensity by 2030, from 2019 baseline.



A 22% decrease in Scope 3 GHG emissions intensity from purchased goods and services by 2030, from 2019 baseline.

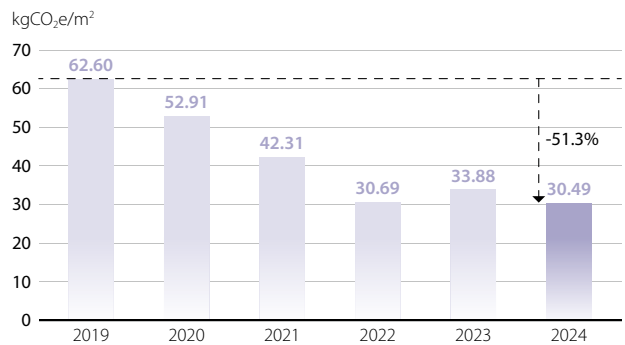


A 22% reduction in Scope 3 GHG emissions intensity from downstream leased assets by 2030, from 2019 baseline.

Our proactive initiatives in energy efficiency, coupled with the increasing adoption of renewable energy, serves as key drivers in reducing our Scope 1 and 2 emissions. To extend our commitment to further reducing downstream tenant emissions, we have proactively engaged with tenants through the Deep Green Lease Programme, which encourages tenants to adopt sustainable practices and minimise their carbon footprint. For a comprehensive overview, please see the [Community](#) chapter.

Since 2011, we have meticulously tracked our carbon emissions intensity, achieving a 51.3% reduction in 2024 compared to 2019 baseline. Additionally, in 2024, our GHG emission intensity recorded a 10.0% reduction compared to 2023.

Scope 1 & 2 GHG Emission Intensity Since 2019



OUR PERFORMANCE IN 2024 – CLEAN

Energy Management and Efficiency Enhancement

As part of our unwavering commitment to achieving our science-based emissions target, we strive continuously to reduce energy consumption to minimise our environmental footprint. All our projects adhere to China's building energy consumption laws and consistently perform above standards in the China Energy Conservation Evaluation. To further exceed expectations, energy reduction for new projects is mandated to exceed the latest China national energy code by a minimum of 10%. Furthermore, our property management subsidiary, Feng Cheng Property Management has secured ISO 50001:2018 and ISO 14001:2015 certifications, reflecting our dedications to ensure sound environmental and energy management across our commercial and office properties. To meet our 2030 goal of reducing operational energy intensity by 20% from a 2019 baseline, we have set annual energy efficiency targets to reduce operational energy consumption and measure our progress effectively.

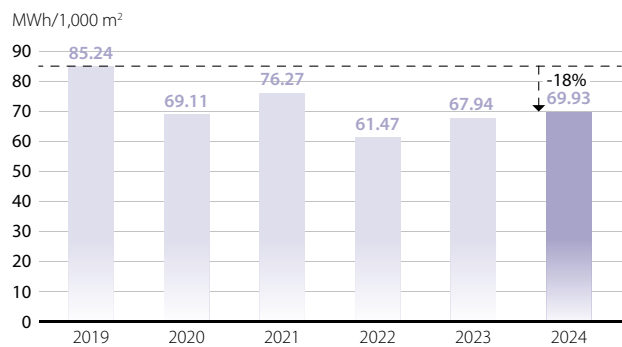
Since 2021, we have implemented an integrated energy management platform for our owned operating properties. This system provides real-time utility monitoring, enabling comprehensive analysis of energy consumption and improving data accuracy. It also detects irregular energy use, ensuring we operate sustainably and manage our resources responsibly. Insights from the platform inform our energy efficiency strategies, allowing us to pinpoint inefficiencies and project energy trends to optimise operational performance.

Most notably, we continue to integrate AI technology into the chiller plant systems to monitor and regulate chiller operations in multiple properties. By leveraging historical data and real-time feedback, the AI optimises cooling settings to balance energy use consumption with occupant comfort. Across these properties, this technology has achieved an average of 21% reduction in cooling energy usage. As of 2024, this chiller management system covers 70% of our commercial offices, with plans to extend this coverage to all commercial offices in the near future. We further reduce energy dependency by utilising indoor and outdoor sunshades to minimise solar heat gain and reliance on air conditioning, as well as recovering energy from exhaust air to preheat or cool fresh air based on seasonal variations.

To advance energy efficiency within our operations, we have undertaken significant retrofitting initiatives, including the installation of heat pumps in Shanghai Xintiandi. In 2024, we performed complementary energy and indoor environment audits for 16 major retail and office tenants. These audits provide insights into tenants' environmental performance, allowing us to provide tailored recommendations on lighting systems, air-conditioning units, and energy management solutions. These measures empower tenants to implement cost-effective solutions, reducing utility costs and improving operational efficiency. Further fostering sustainability, we promote green office practices by offering tenants energy-saving tips and resource efficiency guidelines to cultivate a more environmentally conscious and healthy work environment.

In 2024, our energy intensity of SXTD assets decreased by 18% relative to our 2019 baseline, highlighting our unwavering commitment to implementing efficient energy management practices.

Energy Consumption Intensity Since 2019



OUR PERFORMANCE IN 2024 – CLEAN

Adoption of Renewable Energy

We remain steadfast in our commitment to adopt renewable energy across our properties. In 2024, we successfully increased the use of renewable energy sources for our operations from 20% in 2023 to 35%. Notably, Shanghai Xintiandi has achieved 100% use of renewable electricity for its operating properties since July 2024. To transition to renewable electricity, we have incorporated energy considerations into our building cycles, with a strong emphasis on promoting on-site renewable energy generation. For example;

- At Lakeville VI, photovoltaic panels will be installed on rooftops.
- Our new development in Shanghai Xintiandi, CPIC Xintiandi Commercial Centre (CXCC), installed over 1,000 square metres of solar panels.

- The Riverville project plans to incorporate photovoltaic panels covering 30% of its roof area.

These initiatives contribute to renewable energy generation and reflect our overarching commitment to decarbonisation.

In 2023, Shui On Xintiandi signed a 10-year power purchase agreement with the CLP Group to promote zero-carbon energy and green power within the commercial real estate sector. As part of the partnership, Nanjing IFC fully transitioned to green electricity in its operations in 2024, and obtained a Carbon Neutral Certificate issued by the Shanghai Environment and Energy Exchange. This endeavour is expected to cut annual carbon emissions by approximately 15,765 tonnes in 2024. Concurrently, all properties in Wuhan have maintained 100% renewable electricity adoption since 2022, solidifying our conviction to sustainable development and decarbonisation.

Transitioning to 100% Renewable Electricity in Shanghai Xintiandi

Across our operations, we integrate renewable energy solutions wherever feasible, marking a concrete step in achieving our science-based targets and transitioning to a net-zero carbon future by 2050.

In July 2024, we reached a major milestone on this journey—all completed and operational properties in Shanghai Xintiandi now operate with 100% renewable electricity in their operations. This covers the following properties:

- Xintiandi Plaza,
- Shui On Plaza,
- Xintiandi Shikumen Block,
- Xintiandi Style I & II,
- Xintiandi Hubindao,
- 5 Corporate Avenue,
- Associated park spaces.

The transition has already reduced 22,592 tonnes of carbon emissions since July 2024 and is expected to cut carbon emission by 40,639 tonnes annually—an impact equivalent to planting 2.5 million trees.

Our adoption of renewable electricity in Xintiandi development stands as a testament to our unwavering commitment in accommodating tenants' growing expectations for reducing energy consumption and greenhouse gas emissions, as well as delivering sustainable buildings to the community.



Shanghai Xintiandi Community

OUR PERFORMANCE IN 2024 – CLEAN

Embodied Carbon Management

Reinforcing our commitment to reducing embodied carbon, we have identified three key construction materials—concrete, steel, and cement—as significant contributors, which account for more than 80% of our total embodied carbon footprint. To address this concern, in 2024, we have:

- Compiled an inventory of low-carbon material suppliers, requiring product Life Cycle Assessments (LCAs) or other third-party verified reports to gain precise insights into the embodied carbon data and environmental footprint of the materials.

- Embedded strict carbon emissions requirements for these three construction materials into our procurement process for all new development projects, encouraging suppliers to adhere to stringent emission standards.

Furthermore, we have partnered with the Hong Kong University of Science and Technology Shenzhen-Hong Kong Collaborative Innovation Research Institute to develop an embodied carbon prediction model and piloted its application during the master-planning stage of developments. We have also collaborated with the Building Technology Research Institute to conduct in-depth analysis of embodied carbon in our projects.

Lakeville VI Spearheads Decarbonisation Efforts

Our latest mixed-use development – Lakeville VI, encompassing both residential and retail spaces, reflects our dedication to decarbonisation and the integration of sustainability into its premium design.

Reducing Embodied Carbon

During the construction phase, we prioritised the procurement of construction materials, such as low-carbon cement, concrete and steel, which has a lower embodied carbon emission value of 64%, 30% and 37% respectively as compared to national standard values. These efforts reduced a total of 21,728 tonnes of embodied carbon emissions in 2024 during our construction.

Optimised Exterior Design

To minimise future operational carbon emissions, we have optimised the design of building facade with the incorporation of sunshades with horizontal fins that can effectively:

- Reduce solar radiation and enhance the comfort level of indoor environment for occupants
- Decrease reliance on air conditioning during the summer months and improve energy efficiency

Energy-efficient Systems

Inside the buildings, energy efficiency is a key focus. We carefully selected components such as high efficiency air conditioning units, hot water boilers, escalators and lightings. These choices collectively contributed to a 13% reduction in energy consumption in residential buildings, further underscoring our endeavours to fostering low carbon and energy efficient practices in our building development and operation.

Green and Healthy Building Certifications

As guided by our 5C Sustainability Strategy, Lakeville VI's retail and residential spaces have garnered national and international third-party certifications and benchmarks for their green and healthy designs:

- Residential buildings are on track to receive the Two-Star Label from the China Green Building Label and China Healthy Building Label.
- Retail space is on track to achieve LEED Core and Shell Gold Certification, WELL Core and Shell Gold Certification, and WELL Health-Safety Rating.



Rendering of Lakeville VI

OUR PERFORMANCE IN 2024 – CLEAN

Solidifying our commitment to reduce embodied carbon, Shui On Land signed the **“Collaboration Statement on Low Carbon Emissions Steel for Real Estate in China”** in November 2024. This collaboration, jointly released by the World Steel Association, China Iron and Steel Association and the Urban Land Institute, signifies our pledge to integrate the procurement of low-carbon steel into our purchasing process where feasible; and to enhance the disclosure and transparency of carbon emission data across the lifecycle of steel products.

In Riverville project and Wuhan projects, we have utilised low-carbon steel and concrete, leading to a notable reduction of 8,628 and 9,740 tonnes of embodied carbon emissions in 2024 respectively as compared to national standard values. These results demonstrate our strong commitment to sustainable construction practices and the use of low-carbon materials for a green future.

Enhancing Climate Resilience

During the reporting year, we took significant steps to bolster climate resilience and safeguard asset value against climate risks. We conducted on-site self-assessments for climate-related physical risks for all our assets. These assessments enabled us to identify and evaluate potential risk areas and develop mitigation measures for challenges such as extreme precipitation, heatwaves and strong wind. The findings help us proactively improve future projects, ensuring that climate resilience stands as a core design and operational priority. Across existing properties, we are planning for risk mitigation measures such as installing curbs at rooftop access points, securing equipment and construction objects on the podium roof, regularly cleaning and inspecting roof gutters, and enhancing emergency response and business contingency plan. These measures are designed to minimise potential damage or disruptions caused by extreme weather events, ensuring our sites are well-equipped to withstand climate-related risks.

This year, we also completed a comprehensive transition risk scenario analysis and financial quantification of identified transition climate risks and opportunities faced by the Group and our assets. These analysis, based on three global transition scenarios developed by the Network for Greening the Financial System (NGFS)—Current Policies, Below 2°C, and Net Zero 2050—was carried out across timelines of 2030, 2040, and 2050. The insights allow us to identify emerging climate-related transition risks and opportunities, enhancing our preparedness for the challenges of climate change and rapid transition to a low-carbon economy within our operations. For further details, please refer to the [Climate-related Financial Disclosure](#) section.

Climate Change Adaptation

In alignment with our climate objectives, we have pledged our support to the Task Force on Climate Related Financial Disclosures (TCFD) framework, and implemented a comprehensive Climate Change Policy, which outlines our approach for climate change mitigation, adaptation and resilience. This policy is subject to triennial reviews and revisions by our Sustainability Executive Committee to ensure its continued relevance and effectiveness.

Climate Change Design at Lakeville VI

At Lakeville VI, we implemented robust climate change measures during the project’s design and operation. An external consultant was engaged to assess the property’s vulnerability to flooding by accounting for Shanghai’s climate characteristic, local water drainage infrastructure, and the surrounding environment. Based on the evaluation, we plan to install floodgates and flood-proof doors to enhance flood preparedness, and adopted more stringent requirements than existing regulations for wind resistance, water tightness, and air tightness of windows and doors, thereby minimising potential damages from typhoons.



Flooding projection of Lakeville VI and its vicinity under extreme rainfall events

OUR PERFORMANCE IN 2024 – CLEAN

Healthy Communities and Buildings

Healthy Building Certifications in 2024

DEVELOPMENT	CERTIFICATION SCOPE	CERTIFICATION AWARDED
Hong Shou Fang – East Tower	Office	WELL – Core, Gold and Health-Safety Rating
Hong Shou Fang – West Tower	Office	WELL – Core, Gold and Health-Safety Rating
Lakeville VI – Lot 69-1	Retail	WELL – Core, Gold (Pre-certification)
Lakeville VI – Lot 71-1	Retail	WELL – Core, Gold (Pre-certification)

Our unwavering commitment to sustainable building approach spans the entire life cycle of our projects—from planning and design to daily operations. By integrating both passive and active design strategies in building envelopes, HVAC, and MEP systems, along with sustainable technology, we create spaces that prioritise the health and well-being of our customers and tenants. Throughout our development, we are dedicated to ensuring optimal indoor air quality, water efficiency, acoustic and thermal comfort, and optimise natural lighting. This comprehensive approach is further enriched by our dedication to cultural heritage and community, allowing us to curate vibrant spaces that elevates modern living standard.

Green and Healthy Dual Certifications

In 2024, aligning with our refreshed 5C Sustainability Strategy, we committed to achieving dual certifications in green building, human health and well-being for all new development projects. This commitment extends across various land types, including undeveloped land, planned land and urban regeneration. By 31 December 2024, all new developments and over 96% of our existing assets by GFA had achieved at least one green or healthy building certification.

We adhere to international recognised and domestic green and healthy building standards, including LEED, BREEAM, WELL, China Green Building Label, and China Healthy Building Label for our design and operations. All new developments integrate these certifications in their building designs to ensure alignment with sustainable certification requirements. Our key achievements in 2024 include:

- Shui On Plaza obtained LEED v4 Operation and Maintenance (O&M) Platinum certification, a resounding testament to our excellence in sustainable buildings.
- Multiple properties in projects such as Hong Shou Fang, Lakeville VI, and Panlong Tiandi received green and healthy building certifications.

As a leading premier developer in mainland China boasting the highest number of LEED Neighbourhood Development (ND) certifications and Shanghai Xintiandi achieving the world’s first WELL Healthy Community certification, we continue to pioneer sustainable development to create a greener and healthier built environment for all.



Shui On Plaza

OUR PERFORMANCE IN 2024 – CLEAN

Hong Shou Fang: A Benchmark for Healthy Workplace

Following its LEED CS -Gold certification in 2023, the East and West Towers of Hong Shou Fang achieved WELL Core -Gold certification in 2024, showcasing our efforts to create a comfortable, secure, and human-centred office environment for our tenants. The project integrates 10 health-focused dimensions, including indoor air quality, water quality, lighting, and humanistic care, to deliver a safe, tenant-centric environment.

Ensuring Indoor Air Quality

To maintain healthy indoor air quality, the underground garage is equipped with a carbon monoxide monitoring and ventilation system, ensuring that carbon monoxide levels remain below 6 ppm, meeting international health standards. A three-stage filtration system is adopted for fresh air, keeping indoor PM2.5 concentration below 25 ppm, surpassing national standards. Each floor's lift lobby features an air quality monitoring system, providing real-time data feedback of air quality and adjustments.

Water Supply Quality

We conduct comprehensive real-time monitoring of water supply quality to ensure compliance with national and international health standards. Direct drinking water dispensers are installed in pantry areas on every floor to provide tenants with safe drinking water.



Visual Wellness

We uphold high standards for visual wellness. Our lighting design adheres to stringent national health standards, delivering uniform and ample illumination in office spaces. Flicker-free lighting installed in public areas minimises eye strain and enhancing visual comfort for tenants.

Human-centric Design

Beyond infrastructure, Hong Shou Fang prioritises tenant's well-being with human-centric design. The property provides 20 shower rooms and 3 nursery rooms to accommodate diverse tenant needs. The lobby on the ground floor is equipped with AED first aid equipment and professionally trained staff stand ready to ensure tenant safety.

Hong Shou Fang not only demonstrates SOL's leadership in healthy building practices but also delivers a human-centred office environment through meticulous design and innovative solutions.



IAQ monitoring system at the lift lobby of Hong Shou Fang office towers (Left). Birdview of Hong Shou Fang (Right)

Indoor Air Quality Enhancement

Our commitment to enhancing indoor air quality spans both development and operational phases. In 2024, we conducted a thorough review of our indoor air quality practices, evaluating factors such as contactless features, air quality parameters, volatile organic compounds (VOC) and PM2.5 emissions. This review pinpointed areas for improvement and enhancement, underscoring our commitment to deliver sustainable, health-conscious buildings for the wellbeing of our tenants.

In 2024, we continued our proactive measures by equipping all office buildings with advanced air quality sensors to monitor and consistently evaluate air quality levels. In a pilot project at the Hall of the Sun, we display real-time PM2.5 level in lift cabins to

foster tenant awareness and promote transparency regarding indoor air quality.

To minimise the impact of air pollutants such as TVOC, PM2.5, all refurbishment materials in our buildings must be certified with either the China Environment Labelling or Green Building Materials Product Certification. In parallel, PM2.5 management has been incorporated into our General Specification Standard, providing a technical framework for all our building projects. On the residential side, air quality assessments are mandatory for all new residential projects. Before handing over each new residential unit to customers, we rigorously test for pollutants like TVOC to ensure compliance against national standards. These measures exemplify our commitment to continuous improvement to enhance the wellbeing and health of our customers.

OUR PERFORMANCE IN 2024 – CLEAN

Biodiversity

Biodiversity conservation is vital for environmental sustainability and our planet's future. At Shui On Land, embracing urban biodiversity is a key priority to enhance the wellbeing of our residents and visitors alike. The presence of nature not only enhances the aesthetic appeal of our surroundings but also contributes significantly to the overall health and vitality of our community members. By integrating biodiversity considerations into our development process, we proactively manage nature-related risks and opportunities, addressing the potential impact of our operations on biodiversity and ecosystems.

In 2023, we signed a Memorandum of Understand (MoU) with The Nature Conservancy (TNC) to strengthen urban biodiversity conservation in Shanghai and other regions. This year, we deepened our collaboration to prioritise biodiversity and nature-related impacts in the design, construction and operational management of projects. Together, we are co-developing solutions to embed biodiversity considerations into master-planning and development process, which will be implemented in our projects under development. We also launched an urban biodiversity education campaign at Panlong Tiandi, providing children and families with interactive activities to raising their awareness on the importance of urban biodiversity conservation.

Embrace the Lively Essence of All Beings at Shanghai Panlong Tiandi

Shanghai Panlong Tiandi, an Urban Retreat community by Shui On Land, showcased its commitment to environmental awareness and community engagement through two significant initiatives.

Panlong Exploration Programme

In March 2024, Year 4 students from Qingpu International School participated in the "Panlong Exploration Programme," a creative and educational initiative that highlighted sustainable innovation and urban biodiversity. The programme encouraged students to brainstorm solutions for real-world challenges in their historical town, integrating smart technology into their architectural designs.

Biodiversity Education Campaign with TNC

In November 2024, Panlong Tiandi collaborated with TNC to host a biodiversity education campaign for children and families. The event featured interactive activities designed to ignite children's curiosity about nature, and deepen their appreciation for the environment. Children learned about "Habitat Gardens" to understand the importance of preserving natural spaces, participated in the "The Web of Life" game to explore the interconnectivity of ecosystems, and used their sensory skills to identify aromatic plants. The event also curated a music creation segment, where children incorporated sounds of nature into their own compositions, enabling artistic expression of their connection to nature. Through this engaging event, Shanghai Panlong Tiandi demonstrated its commitment to fostering environmental awareness and stewardship among the local youth.



Biodiversity Education Campaign hosted at Panlong Tiandi in partnership with TNC

Looking forward, we will continue to embed biodiversity considerations in our decision-making process and actively contribute to the conservation and enrichment of urban biodiversity in where we operate.

OUR PERFORMANCE IN 2024 – CLEAN

Resource Management and Circularity

Material Use and Waste Management

In our operations, we prioritise waste reduction, reuse, and recycling wherever feasible to divert materials from landfills. Our waste management practices adhere strictly to national and provincial regulations such as those in Shanghai, Wuhan, Chongqing, and Foshan, regarding municipal solid waste management and we strive to exceed these standards. We meticulously sort waste at the source and route paper, plastic, and metal for recycling, while continually seeking partners capable of processing low-value materials. In our Shanghai offices, we have installed partitioned bins for efficient disposal and eliminated single-use plastic utensils in 2024. We also encourage office tenants to recycle plastic bottles by providing dedicated collection points.

Across our portfolio, we have displayed educational materials to raise public awareness on recycling efforts. Notably, in 2024, KIC established a long-term collaboration with our tenant “Rebirth of All Things”, promoting sustainability and annual exchange of used goods. Our offices also organised a sustainable Christmas tree-making event, inspiring office workers, to creatively use recycled materials, and promoting awareness on circular economy.

In 2024, we produced 58,089 tonnes of non-hazardous waste. Our persistent efforts in waste management allowed us to divert 19,464 tons of non-hazardous waste from landfills.

Throughout the reporting year, we conducted waste audits and analysed waste composition and volumes, which guided progress toward our operational waste targets: diverting 45% of waste from landfill by 2030, and increasing the use of recyclable and reusable construction materials. Moreover, our comprehensive waste management system incorporates AI technology and ground detection system which enhances our tracking capabilities. The system provides insights into the intensity of different waste types, annual and monthly comparative analytics segmented by region and type. These analyses enable us to identify opportunities for improvements, allowing us to achieve 33.5% recycling rate in 2024, exceeding the original target of 28%.

Since 2023, we have rolled out the Circular Furnishing Service for our tenants, providing a one-stop sustainable office furniture solution consisting of three elements—Green Choice, Green Service and Green Recycle. The service promotes office furniture leasing as an alternative to one-time purchases, empowering our tenants to embrace circular economy while enjoying flexible office solutions. In 2024, we achieved a total of 44,186 m² of renovated spaces delivered through recycling and reusing, and with over 20,000 m² of leasable office area furnished with circular furniture.

Shui On Plaza Leading the Way as “Zero Waste Building”

This year, Shui On Plaza was selected as a pilot project as part of Huangpu District government’s “Zero Waste City” initiative.

As part of the initiative, Shui On Plaza has introduced a dedicated waste sorting practice and installed specialised bins for each recycling categories. We have leveraged AI visual technology by installing cameras in waste rooms to enable real-time image analysis and processing. This technology also identifies and differentiates vehicle models and licence plate numbers, accurately logging vehicle entry times, staff counts, bin statuses, and waste details. The data is then uploaded to the Group’s energy and waste management system, reducing human error and providing real-time accurate information and control. These innovative technologies have enriched waste collection and recycling, positioning Shui On Plaza as a model for other districts in Shanghai to follow.

In addition to utilising advanced technologies, we have also signed Green Pledge with tenants to advocate for a low-carbon and zero-waste lifestyle. Office sustainable practices, such as default double-sided printing and encouraging new tenants to reuse previous renovation would help minimise construction and renovation waste generation.

These initiatives reflect our leadership in fostering a more sustainable future, showcasing best practices in material use and waste management for the benefit of our community and the environment at large.



Waste sorting and management practice at Shui On Plaza

OUR PERFORMANCE IN 2024 – CLEAN

Water Conservation

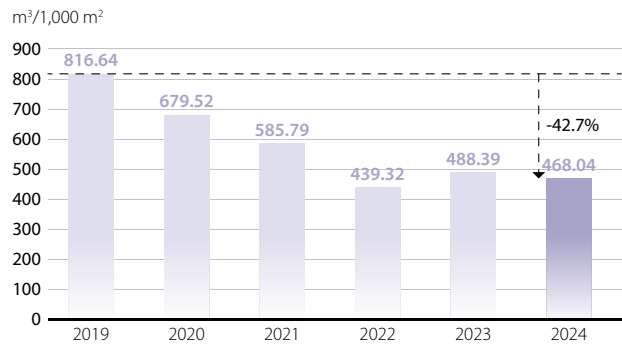
Water efficiency is a fundamental pillar of our sustainability initiatives, driven by the urgency to address water scarcity challenges in China. To guide our efforts, we have established a water-intensity target to reducing operational water intensity by 20% by 2030, using 2019 as the baseline.

In 2024, internal assessments identified the supplier groups—such as construction and facility management—bearing the most significant water-related risks or impacts. To mitigate water-related risks and impacts from construction activities, we have added an ESG section to contractors' contract, detailing water conservation requirements on vehicle washing and other daily operations. These provisions specify the sizing of vehicle cleaning facilities, mandates water recycling, and require contractors to collect, track, and upload their water consumption data to the SOL Cloud Construction System.

Using the WRI's Aqueduct Water Risk Atlas tool, we assessed baseline water stress of the locations of our development and operations in 2024. The analysis revealed a combination of low to high baseline water stress across our operational regions. Since all our projects are located in urban area with water supply from municipal water supply system, we do not anticipate additional impact arising from our water management practices. Nonetheless, we remain vigilant in enhancing water efficiency across our value chain through stewardship in water management, water-efficient designs, and robust infrastructure in operating properties to enhance our water resilience.

Feng Cheng Property Management obtained ISO 46001:2019 certification for Water Efficiency Management Systems, demonstrating our dedication to sustainable water management. Across SXTD assets, we have implemented low-flow fixtures, water-saving irrigation, and rainwater recycling systems, while designing new projects to surpass standard water efficiency benchmarks. Advanced monitoring systems, including online water meters, allow us to monitor usage and pinpoint water conservation opportunities. We also installed an AI monitoring system for outdoor greenery area, automatically detecting soil conditions to optimise irrigation. Our water-reduction initiatives yield measurable results in 2024, with SXTD assets achieving a 4.17% reduction in water intensity compared to the previous year.

Water Consumption Intensity Since 2019



Culture

2024 Highlights

Co-hosted an **urban regeneration camp with Tongji University** as part of our 3-year partnership, engaging professors and young talents from six universities and curated SOL's experience into educational resources to scale sector-wide expertise



Launched the **"Xinsheng Festival"** at Panlong Tiandi to revive traditional festival and cultural heritage, attracting 126,000 visitors and showcased 90+ cultural performances



Established **Shui On Land Historic Preservation and Regeneration Committee** to upskill employees in historical building preservation and adaptive reuse



Collaborated with UCCA on the **"RanRan" Young Artist Incubation Programme**, engaging **400+ young artists** and fostering the next-generation of local artists



Culture is the soul of our spaces and the foundation of our communities' unique identities. Our focus is clear—to revitalise local culture and historic traditions through innovative regeneration, modern experiences, and creative content. Our approach respects the legacy of urban spaces while adapting them to contemporary needs, seamlessly blending historical urban fabric with the richness of intangible traditions. At the same time, we bridge the gap between tradition and modernity by fostering cultural expression and exchange, creating ecosystems where the past and present inspire one another. By uniting heritage with innovation, we create vibrant spaces where culture thrives as a dynamic force to drive growth and connectivity.

Outlined in our 5C Sustainability Strategy, our 2030 ambitions and priorities guide our approach to culture. Further details can be found on the [Culture page](#) of our company website.



OUR PERFORMANCE IN 2024 – CULTURE

Urban Regeneration Projects and Award Achievements

AWARD	AWARDED RECIPIENT	ISSUING ORGANISATION
Urban Renewal Exemplary Award	Shui On Land	Ministry of Science and Technology of China
Shanghai Municipal Tourism and Leisure Blocks	Panlong Tiandi Project	Shanghai Municipal Administration of Culture and Tourism
CREDAWARD for Urban Regeneration & Renovation	Panlong Tiandi Project	DJSER
CREDAWARD for Urban Regeneration & Renovation	Hong Shou Fang Project	DJSER
2024 First Shanghai Urban Regeneration Outstanding Practice Case with “Excellence Award”	Hong Shou Fang Project	Shanghai Municipal Bureau of Planning and Natural Resources
MIPIM Asia 2024 Best Cultural, Educational, and Urban Regeneration Project Gold Award	Hong Shou Fang Project	MIPIM
MIPIM Asia 2024 Best Residential Project Silver Award	Riverville Project	MIPIM
Best Urban Renewal Exemplary Case	Shanghai KIC Project	China Urban Renewal Forum

Local Culture Revitalisation and Enhancement

We are deeply committed to the revitalisation and enhancement of local culture, and we strive to preserve and promote the unique traditions and heritage of our neighbouring communities. Our mission is to breathe new life into local cultural expressions while fostering a deeper connection between people and their roots.

To achieve this, we organise events and initiatives that celebrate and strengthen local identities. Through vibrant festivals and transformative urban regeneration projects, we aim to create spaces where local culture thrives and evolves. By ensuring these traditions remain relevant and accessible, we contribute to a cultural legacy that future generations can embrace and cherish.

Urban Regeneration and Adaptive Reuse

Partnership with Tongji University

Launched in 2023, through a long-term partnership with Tongji University, our multi-year urban regeneration talent development programme has delivered substantial results. Over the past two years, the initiative has been formalised as part of the university curriculum, producing 50 published project outcomes, and hosting numerous knowledge-sharing activities. This has significantly amplified our industry influence while advancing positive social impact.

Building on this success, we expanded the programme in 2024 by co-hosting the **Urban Regeneration–Community Building and Placemaking** Summer Camp with Tongji University. Our aim is to reinforce our thought leadership in urban regeneration and heritage preservation, and foster urban regeneration talent with global perspectives.

The Summer Camp ignited the passion among aspiring architects and urban planners. A total of 21 graduate students from six universities from different cities participated in site visits to six SOL projects in Shanghai. These visits facilitated research, interactive exchanges with project teams, and insights into urban regeneration from diverse city contexts. Mr. Albert Chan, our Chief Sustainability Officer and Director of Planning and Development, further enriched the experience with two specialised lectures and Q&A session for the participating faculties and students.



“Urban Regeneration – Community Building and Placemaking” Summer Camp

This programme built students with expertise from industry professionals, practical experience and nurturing the next-generation of urban developers. SOL remains devoted to investing in young talent, equipping them to shape a brighter, more sustainable future for urban regeneration across the region.

OUR PERFORMANCE IN 2024 – CULTURE

Shui On Land Historic Preservation and Regeneration Committee

For decades, SOL has led the way in the preservation and adaptive reuse of historical buildings. In 2023, we built on this legacy by launching an urban regeneration talent development system designed to cultivate internal in rejuvenating historical urban areas and buildings. This system established a robust framework to preserve and renew these architectural treasures, blending tradition with innovation to support urban regeneration efforts.

In 2024, we took our commitment further by forming the Shui On Land Historic Preservation and Regeneration Committee. This dedicated Committee was entrusted with the implementation of our Historical Building Preservation and Revitalisation System, enriching our collective knowledge and ensuring employees are equipped with industry best practices and insights. To further deepen this expertise, the Committee developed a comprehensive training programme featuring a series of online lectures delivered by both internal and external experts. These sessions covered key topics including engineering and design methodologies, attracting participation from approximately 160 employees.

Complementing the virtual training, the Committee organised three immersive on-site visits to active historic building preservation projects and hosted three offline talks led by industry experts. These hands-on experiences and discussions provided employees with invaluable insights into the complexities of managing historic building preservation and regeneration initiatives, fostering a deeper understanding of balancing historical integrity with the demands of modern project execution.

The Committee further introduced the “SageCraft Symposium”, an internal training series highlighting SOL’s project management expertise in heritage renewal. Leveraging cases studies such as Lingnan Tiandi and Lakeville VI, the Symposium introduced new online courses annually, with five sessions conducted in 2024 alone. Together, these efforts underscore our commitment to excellence in historical building preservation while nurturing a culture of knowledge-sharing, continuous learning, and collaborative innovation across the organisation.

Management of Cultural Heritage Buildings at Lakeville VI

Lakeville VI has meticulously preserved approximately 78% of the historical district’s unique features, including the iconic Shikumen, a hallmark of traditional Shanghainese architecture. Additionally, 12 historical buildings have been preserved through either restoration or careful relocation to ensure their legacy endures.

To revitalise these sites, contemporary elements were thoughtfully integrated, striking a balance between historical authenticity and functional relevance for future generations. Crucially, key architectural components from important historical buildings were creatively repurposed into new designs, contributing to the district’s urban regeneration. This innovative approach demonstrates how historical preservation and urban development can coexist harmoniously.



Preservation of historic fabric at Lakeville VI

OUR PERFORMANCE IN 2024 – CULTURE

Bringing Heritage to Life

Through innovative commerce, SOL seeks to redefine urban lifestyles by revitalising local culture, fostering diverse social interactions, and building a community with shared resonance and a sense of belonging. Our Xinsheng Festival exemplifies this mission, showcasing Xintiandi's enduring dedication to preserving heritage while inspiring creative evolution. This initiative embodies our philosophy of "Bringing Heritage to Life" through cultural revitalisation and human-centric experiences.

Reviving Traditions: Xinsheng Festival

In 2024, Shui On Xintiandi unveiled a new cultural IP, the "Xinsheng Festival", marking a significant milestone in reimagining traditions within a contemporary context. This initiative offered a unique and creative cultural experience, underscoring our values and commitment to "Bringing Heritage to Life".

Panlong Tiandi – Full Moon Festival

Shui On Xintiandi launched the "Panlong Tiandi – Full Moon Festival" as the inaugural event of "Xinsheng Festival" in September 2024. This immersive celebration of the Mid-Autumn Festival paid homage to Jiangnan culture through a 12-day event packed with vibrant activities, including over 90 performances, 15 workshops, a literary forum, a four-day long-table banquet, and contributions from more than 50 brands.

This festival was thoughtfully structured around four central themes—Performances, Feast, Market, and Workshops, where some of the key highlights are:

- "Feast"—a 300-metre long banquet, held over four days, featuring locally distinctive dishes provided by four Panlong Tiandi restaurants. This event redefined Mid-Autumn reunion dinners with a blend of Jiangnan folk customs and culinary creativity.
- "Workshop"—a Mid-Autumn paper lantern workshop, led by a Foshan artisan, showcasing intangible cultural heritage of lantern-making.
- Additional highlights included cultural tours, night tea parties, and tasting of Qianpu's traditional rice cakes, creating an immersive and memorable experience for attendees.



The inaugural "Xinsheng Festival" launched at Panlong Tiandi

Yuz Museum Collaboration at 10th Anniversary

In celebration of its 10th anniversary, the Yuz Museum, collaborated with Shanghai Panlong Tiandi to host a special collection exhibition. It featured cultural and artistic workshops, as well as knowledge-sharing activities, to engage with the Shanghai Panlong Tiandi community.

Artistic Lantern Installation by Ms. Wen Qiuwen

Renowned Chinese paper-cut artist Ms. Wen Qiuwen created a mesmerising lantern installation inspired by a moon deity reflected in the lake. Drawing its inspiration from the imagery of the moonlight flower, this masterpiece beautifully captured the spirit of the Mid-Autumn Festival, captivating residents and visitors with its blend of cultural heritage and artistic elegance.

The resounding success of the event was marked by an impressive turnout of over 126,000 visitors and its recognition was featured in the Shanghai Summer International Consumption Season.



Artistic lantern installation by Ms. Wen Qiuwen

OUR PERFORMANCE IN 2024 – CULTURE

Local Creativity and Creators

China’s renowned manufacturing capabilities are now matched by a growing pride in the “Created in China” label. At Shui On Xintiandi, we celebrate the creative essence of Chinese culture by promoting arts, music, dance, food, fashion, festivals, and educational activities.

Our collaboration with local artists, designers, and artisans embodies this commitment. We showcase their work in our communities and online platforms, while also supporting their growth by commissioning projects and organising events that highlight their talents.

Creators 100

In 2020, Shui On Xintiandi founded Creators 100, an innovative creative platform aiming to drive the creative economy and foster sustainable growth in China’s creative industries. By integrating both online and offline approaches, this platform connects visionary creators, the XINTIANDI brand, and consumers. Together, this unique ecosystem fosters collaboration, and inspires a community-driven, creative, and innovative lifestyle.



2024 Creators 100 offline experience spaces



2024 Creators 100 – The XINTIANDI Book of Creators

The platform has not only enriched the creative landscape, but also strengthened the reputation and loyalty of Shui On Xintiandi. In 2024, our flagship IPs—such as the “Xinsheng Festival”, “Art To Gather Festival”, “RanRan”, “Xintiandi Design Festival” and “XINTIANDI Flower Market”—were effectively promoted through podcasts and social media engagement, including:

- Five captivating podcasts, accumulated over 400,000 plays across all platforms, reaching more than one million listeners with an industry-leading completion rate
- Two special offline podcast events, garnered over 10,000 likes on social media platforms and over 50,000 views on related topics, further amplifying community engagement

These efforts exemplify Shui On Xintiandi’s dedication to innovation, community connection and its ability to resonate with diverse audiences across multiple platforms.

OUR PERFORMANCE IN 2024 – CULTURE

2024 Young Artist Incubation Programme “RanRan” with the UCCA Centre for Contemporary Art

“RanRan”, meaning “a rising fire”, is a strategic three-year collaboration between XINTIANDI and UCCA launched in 2022. Anchored in the three values of “Created in China”, “Integration and Co-creation,” and “Cultural Curiosity,” it aims to leverage our resources and advantages to support young artists by providing a platform for interdisciplinary experimentation and creative expression.

Under the 2024 theme of “Bringing Heritage to Life”, Chinese artists were encouraged to revisit and reinterpret local cultural memories through diverse perspectives. This initiative seamlessly bridges contemporary art with Shanghai’s modern urban life, creating works that resonate with varied audiences.

To promote the growth of young talent, the programme offers opportunities across four channels:

- Young Artist Prize
- Art Seasons
- Artists-in-Residence Program
- Crossover Collaborations

A total of 15 artists were shortlisted from 422 candidates, with their works exhibited at the ‘RanRan’ Young Artists Group Exhibition, opening doors for further collaborations with XINTIANDI and UCCA.

The 2024 art season, themed “**Sparking into Sparkling**”, included three components—the “RanRan” Young Artist Exhibition, Salomon Public Sound Art Programme “Ascending while Listening,” and the Artistic Community Programme “Strolling Around.” The three sections connected Shanghai Xintiandi’s indoor and outdoor spaces, fostering a harmonious integration of art with urban environment.



2024 “Ran Ran” Art Season – Sparking into Sparkling



The 2024 “RanRan” art season , Sparking into Sparkling, exhibited at Xintiandi’s indoor and outdoor spaces

OUR PERFORMANCE IN 2024 – CULTURE

Cultural Exchange

We celebrate diversity of thought, ideas, and practices, recognising that such diversity is a crucial driver of innovation and communication. We are committed to nurturing international cultural exchange activities and events to promote mutual understanding and respect among different cultures. Our goal is to gain deeper insights into the diverse perspectives from around the world on a wide range of topics while promoting cultural exchange and collaboration on a global scale.



Live performance at the XINTIANDI “Art To Gather” Festival

XINTIANDI “Art To Gather” Festival

As the public’s enthusiasm for cultural experiences continues to grow, music festivals, concerts, exhibitions, and other cultural events are becoming increasingly important as platforms for social interaction. Recognising this trend, XINTIANDI has thoroughly analysed consumer needs, leveraging its unique venue advantages to bring together the public, consumers, merchants, and artists. By seamlessly blending art and commerce, it creates distinctive community-driven experiences.

In collaboration with the Art Space project of the China Shanghai International Arts Festival and Modern Sky, the inaugural XINTIANDI “Art To Gather” Festival was launched in 2024, embodying the philosophy—The world is our stage, and life itself is art—and transforming cities as stages to integrate art into social scenes. The festival featured over 100 free performances involving more than 90 artists, engaging consumers in Shanghai, Wuhan, Foshan and Chongqing at eight of our flagship projects. This event delves into the unique spiritual pulse of each city, skilfully integrates global artistic essence with local culture of different cities, jointly building a diverse and vibrant art community, encouraging more people to experience, interact, enjoy and share.



Breaking traditional boundaries, the festival combined theatre, music, dance, parades, flash shows, and workshops to transform communal spaces into vibrant cultural hubs.

OUR PERFORMANCE IN 2024 – CULTURE

Notable Cultural Partnerships in 2024

We also partner with both local and international cultural organisations by hosting cultural and urban regeneration events with various cultural groups. For over a decade, we have been celebrating the creativity of artists worldwide through our famous festivals and cultural events. In 2024, this included:

Shanghai Fashion Week at Xintiandi

Celebrating a decade-long strategic partnership, Shanghai Xintiandi once again served as the main venue for the Shanghai Fashion Week, Asia’s premier fashion event. The 2024 season focuses on the theme “Linking Visions, Sparking Innovation” to catalyse an innovation-driven development model by incubating new business models and curating experiential scenarios. Through curated initiatives—including Shanghai Fashion Week runway shows, the “Feel the Brave Show 2.0” events, and the Xintiandi Meet Market—the programme cultivated an immersive fashion ecosystem, and strengthened the commercial translation of fashion creativity while elevating the district’s economic vitality.



City Kaleidoscope – Flowers in the Mirror

Design Shanghai @Xintiandi Design Festival 2024

Our strategic partnership with Design Shanghai has transformed the Xintiandi Design Festival into Asia’s leading design event. In its eighth year, the festival has showcased more than 100 design-inspired art installations, professional forums, and numerous offline interactive activities since 2017. It serves as a vibrant hub for young designers to express their imagination and creativity and bring their visions to life.

In 2024, using the theme of “Hybrid Playground”, we invited designers to showcase 22 installations at Xintiandi Plaza, Xintiandi Shikumen, Xintiandi Style I, Xintiandi Style II, and Taipingqiao Park. Each installation encapsulated a unique blend of artistry and innovation, captivating visitors with its thought-provoking design concepts. For example, the installation “City Kaleidoscope – Flowers in the Mirror” is a mirrored metal installation inspired by childhood toys.

Shanghai International Light Festival

During the first Shanghai International Light Festival, themed “Travel in Light”, Shanghai Panlong Tiandi served as one of the main venues in Qingpu District. Throughout the week-long event at Shanghai Panlong Tiandi, attendees were treated to an array of enchanting light art installations, immersive projection mapping shows, and a captivating dance performance, illuminating the nights with creativity and innovation.

One of the highlights of the event was the projection mapping shows that utilised the unique contours of architectural structures such as passageways and bridge facades as a canvas on which to display stunning light shows, bringing those structures to life. These shows seamlessly blended lights and building structures to create spellbinding visual experiences that transcended traditional boundaries.



Shanghai Panlong Tiandi served as one of the main venues of the Shanghai International Light Festival

OUR PERFORMANCE IN 2024 – CARE

Care

2024 Highlights

Earned 1st runner-up at the **UN Women’s Empowerment Principles 2024 Asia Pacific Award**
(Transparency and Disclosure category)



Increased women’s representation
on our Board to **36%**,
a 10% rise over the past three years



Published a standalone **Diversity & Inclusion Policy**



Achieved an average of **44 training hours per employee**



Delivered occupational health and safety training to **100% employees**



Contributed **14,323** employee volunteer hours



Shui On Land strives to lead in creating sustainable, premium urban communities by delivering value to all stakeholders. This vision stems from our dedication to fostering a supportive and inclusive work environment. We are committed to treating employees fairly while providing equal opportunities for career growth through training and development. Our focus is on creating a safe and healthy workplace that fosters diversity and inclusivity, inspiring employees to develop their skills and reach their full potential. Recognising that outstanding talent is our most valuable asset, we are committed to attracting, developing and retaining top talent to build a caring, capable, healthy and engaged workforce.

Guided by the 5C Sustainability Strategy, our 2030 ambitions and priorities shape our approach to care. Further details can be found on the [Care page](#) of our company website.



Employees Family Day at our Nanjing project

OUR PERFORMANCE IN 2024 – CARE

Talent Development

We believe that high levels of employee engagement contribute to satisfaction in both professional and personal lives. Enhanced engagement reduces turnover, boosts productivity, and leads to superior business outcomes. We actively recruit and support individuals from diverse backgrounds, welcoming varied perspectives and fostering innovative problem-solving to better serve our customers.

The Talent Development Committee, in collaboration with HR, sets organisational talent goals to promote employee growth. Through training and development initiatives, we enhance motivation, engagement, and continuous learning, attracting and retaining top talents with the right competencies of their roles. In 2024, we achieved a 100% completion rate for both occupational health and safety and business ethics training among all employees totalling 1,277.5 hours. Our marketing team also had a 100% completion rate for responsible marketing training. Furthermore, sustainability and business ethics trainings are integral to our new employee orientation programme, which is mandatory for all new hires.

To maintain an engaging workplace, we conduct annual performance and development reviews, incorporating goal setting and appraisals. Led by HR and managers, these reviews provide opportunities for employees to actively shape their career paths and learning trajectories, with HR offering guidance for career planning.

In 2024, we enhanced the SOL Talent Development programme by introducing tailored development and training plans for graduates, managers, and key roles. These personalised plans aim to support their individual career advancement.

Every employee benefits from a comprehensive training programme through our O2O (Online-to-Offline) learning platform, Shui On Academy, which champions an “I own my learning” philosophy. The programme includes personal development goals, audio literature, “Shui On Knowledge” sharing sessions, and a 5C sustainability knowledge forum. Training covers individual development, contribution, project, and asset management, as well as construction-specific content, with each employee receiving an annual development plan.

To strengthen team bonds, and cultivate a strong sense of belonging, we offered various engagement initiatives such as “Talk with CEO”, the Shui On+ WeChat Official Account and the “Reading Club”. We also provided online unconscious bias training to enhance awareness and promote fairness and inclusivity in the workplace. Additionally, two internal training sessions focused on raising sustainability awareness were organised to further reinforce our commitment to talent development.

Career Week

For five consecutive years, the annual Career Week has broadened employees’ perspectives and enhanced their professional skills. This year’s event featured a different theme each day over five days, spanning 21 office locations and engaging over 1,200 attendees. The themes included “A Date with Bo Yue”, “Leadership Dialogue”, “Energy Boosting Experience Workshop”, “Shui On Youth Voice” and “Leaders’ Voice”. Its effective approach to professional development was widely recognised by participants, receiving an excellent feedback rating of 4.87 out of 5.



At the scene of 2024 Career Week

Executive Face-to-face Session

The Executive Face-to-Face Sessions, a hallmark of Career Week for the past three years, provide opportunities for mentorship and open communication. The engagement formats include one-on-one sessions, lunch meetings, lunch gatherings and Happy Hour discussions. Each senior executive dedicates at least two hours to engage with staff members, discussing topics ranging from strategic planning to career development. A total of 31 senior executives and 88 employees participated in these sessions.

Career Consultation

Employees can participate in one-on-one sessions with HR specialists to explore their leadership potential and receive a thorough analysis of their abilities, strengths, and unique characteristics.

To enhance interaction and engagement with employees, the company also offers flexible participation options through mini-programmes and other digital platforms. This approach ensures employees have multiple ways to engage with leadership, fostering a culture of open communication and professional growth.

OUR PERFORMANCE IN 2024 – CARE

Talk with CEO

SOL launched the “Talk with CEO” programme to improve communication between management and employees. The programme included nine interactive forums with our two CEOs and other senior executives. Key topics covered challenges for 2023, strategies for 2024 and five-year priorities as part of our growth plan. The initiative highlights SOL’s commitment to fostering an open culture and ensuring clarity across the organisation.

Shui On Academy: Audiobooks Library

Each month, our audiobooks library offers curated book recommendations on a variety of topics, including professional skills, mental wellbeing, literature and the arts. These resources provide enriching content to help employees expand their knowledge during leisure time and address workplace challenges more effectively. We believe that continuous learning is key to our employees’ career advancement and success.



Ms. Jessica Wang, Executive Director and the CEO of Shui On Land

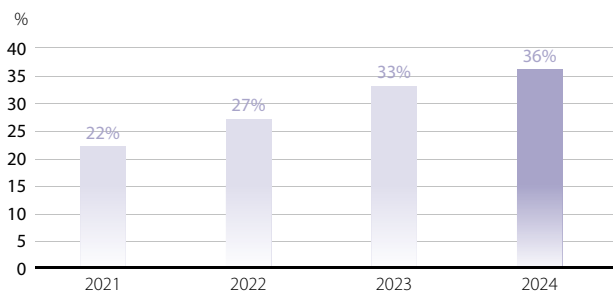
Wellbeing, Health and Safety Diversity and Inclusion

SOL is deeply committed to fostering a diverse and inclusive workplace for all our employees. We view diversity as a core strength and have zero tolerance for any form of discrimination or harassment based on race, religion, gender, or disability.

To ensure ongoing progress in this critical area, we have implemented several policies, including the Code of Conduct and Business Ethics and the Board Diversity Policy, to promote equal opportunities in all employment-related activities. In 2024, we also introduced and published a standalone Diversity and Inclusion (D&I) Policy, reinforcing our commitment to fostering a workplace that values diversity, equity, and inclusion.

By matching individuals with roles best suited to their abilities without bias, we aim to develop a dynamic and effective workforce. In 2024, we recruited three employees with physical disabilities, particularly for roles in property administration and engineering. We continue to assess and identify additional opportunities for disabled individuals.

Proportion of Female in the Board Composition



All employees undergo annual unconscious bias training to increase awareness of implicit biases and learn strategies for minimising discriminatory behaviours. Additionally, we provide annual anti-sexual harassment training to educate all employees on identifying, preventing, and addressing sexual harassment, creating a safe and respectful workplace for all.

Informed by feedback from an internal survey, we updated the SOL Office Standards and Guidelines to include more diverse workplace accommodations, such as accessible restrooms. These updates were first piloted in the Hong Shou Fang project office and later rolled out to renovation projects. Our head office now features accessible washrooms, resting rooms, nursery facilities, and other provisions for physically challenged staff.

Additionally, SOL supports the disabled community by contributing 1.5% of our total annual employee remuneration to a social fund for people with disabilities. Recognised as a leader in promoting gender equality, we increased women’s representation on our Board to 36%, up from 33% in 2023, marking a total increase of 10% over three consecutive years. These efforts reflect our pride in fostering gender diversity, with strong representation of female colleagues throughout the company. Going forward, we will continue refining our talent acquisition and retention strategies to align with our business needs while promoting gender equality and diversity.

OUR PERFORMANCE IN 2024 – CARE

Recognition for Gender Equality Initiatives—United Nations Women’s Empowerment Principles Asia Pacific Award

At SOL, we are committed to advancing gender equality. By signing the United Nations Women’s Empowerment Principles last year, we marked a significant milestone in our dedication to gender equality, diversity and inclusion. This commitment drives our goal to create an environment where women can thrive and succeed.

In 2024, our ongoing efforts in promoting gender diversity received international recognition when we were awarded the United Nations Women’s Empowerment Principles 2024 Asia Pacific Award, securing 1st runner-up in the Transparency and Disclosure category. This category honours organisations that excel in measuring, analysing, and reporting gender-related performance throughout the value chain, going beyond minimum requirements. This recognition highlights our industry-leading practices in gender-inclusive management and disclosure, distinguishing us as one of only two awardees from the real estate sector.



SOL’s Vice Chairman Stephanie Lo Named Among Forbes Asia’s Power Businesswomen 2024

We are proud to announce that our Vice Chairman, Ms. Stephanie Lo, has been recognised as one of Forbes Asia’s Power Businesswomen 2024. This prestigious honour celebrates 20 visionary leaders who drive change, overcome challenges, and redefine possibilities within the Asia Pacific business landscape. Ms. Lo’s achievement highlights SOL’s outstanding performance in championing female leadership.

Ms. Stephanie Lo was awarded the Forbes Asia’s Power Businesswomen 2024

Ensuring Health and Safety for All

At Shui On Land, we are steadfast in our commitment to a safe, healthy working environment and to achieving zero fatalities across our supply chain. Health, safety, and wellbeing are at the heart of our core values, and we continue to improve safety performance as an integral part of our daily practices. A comprehensive health and safety strategy—overseen by our Board Sustainability Committee, CEO, and CSO—demonstrates our dedication. This commitment is further reflected in a compensation structure directly tied to health and safety outcomes.

Through our EHS (Environment, Health and Safety) management system, we mitigate occupational health and safety risks, and prevent construction site accidents by adhering to strict machinery, equipment, and site safety protocol. To ensure compliance against our ESG-specific requirements for contractors, we conduct bi-monthly third-party health and safety assessments at all construction sites. In 2024, we maintained ISO 45001 Occupational Health and Safety Management System certification for our property management subsidiary who manage all our operational sites, solidifying our dedication to international health and safety standards. We also provided 546 hours of targeted training on topics such as mental health, emergency management, and shopping mall safety for property management employees.

OUR PERFORMANCE IN 2024 – CARE

With a firm belief that “safety never takes a day off”, our Target Zero initiative emphasises a zero-injury mindset, aiming to eliminate accidents, unsafe behaviours, and workplace hazards throughout our company and supply chain. This approach is reinforced by real-time safety monitoring through the Smart Construction feature within the SOL Cloud Construction System. Our safety results reflect our commitment. In 2024, we achieved a contractor safety incident rate of 0.79 per 1,000 workers, keeping this well below our annual target of below 3 per 1,000 workers.

In 2024, as part of our commitment to excellence, we established clear policies and communication channels to report near-misses and identify improvements aimed at preventing potential injuries and damage. Comprehensive health and safety training was provided to all employees, covering a wide range of guidelines tailored to diverse work environments, including construction sites, commercial properties, and shopping malls. Over 2,500 employees across our organisation completed the online health and safety training, achieving a 100% participation rate. Looking ahead, we plan to further strengthen health and safety controls throughout our value chain, reaffirming our commitment to creating a safe and healthy environment for everyone.

Improving Employee Wellbeing

At SOL, we believe that employee wellbeing is essential for a balanced, fulfilling life. Our team’s dedication, creativity and care are central to our success, and we are committed to supporting a healthy work-life balance through flexible workplace practices.

We have established multiple communication channels for employees to share their questions, concerns, suggestions, and ideas. A key resource is a dedicated complaint and suggestion email address, encouraging employees to reach out at any time, with the promise of individual follow-up within three working days.

Our employee assistance platform is founded on the principle that self-care and self-love are critical to overall wellness. Available to all employees and their immediate family members, the platform offers a suite of counselling services, including 24-hour one-on-one sessions, covering career counselling, communication with superiors, employee-relations, and physical health. The platform ensures easy access to expert advice and resources, with counselling options via phone or in person, as well as a health-related topics column. In 2024, we facilitated a total of 122 consultations and conducted mental health assessments to help employees evaluate their well-being.

To further support mental health and wellness, we launched a series of initiatives including online platforms, monthly mental health workshops, bi-monthly electronic journals, and quarterly activities to promote mental health and wellness, centred on key themes such as stress management, workplace development, managerial training, interpersonal communication, client relationships, and family education.

We continuously enhanced our iFamily Programme in 2024 to promote work-life balance, helping employees better balance their professional and family responsibilities. The programme offers flexible working hours, the option to work from different locations, and up to 20 days of special leave for family-related issues. In 2024, the programme approved a total of 2,795 special leave days, significantly strengthening support for family matters and work-life harmony.

We have also upgraded employees’ insurance coverage to include critical illnesses and introduced optional additional coverage for employees with newborns. Annual reviews of our compensation and benefits packages ensure competitiveness. Our consistently low turnover rate highlights our strong commitment to retaining talent and fostering a diverse, inclusive workplace. In 2024, our turnover rate stood at 20.73%, with a nearly balanced female to male departure ratio of 1:1.075. To support the working parents in our workforce, we maintained 10 days of paternity leave for male employees, complementing the existing 22.6 weeks of maternity leave for female employees.

Our Recreation Club embodies the ethos of “healthy life, happy work” throughout SOL. We organised a variety of activities, including badminton sessions, wellness massages, and weekly Friday events, all aimed at promoting employee wellbeing and engagement. The club fosters social connections, improves leisure experiences, promotes a vibrant office culture, and strengthens employees’ sense of belonging.

Through these initiatives, we strive to create a supportive and enriching environment that prioritises the wellbeing of our employees, ultimately contributing to a more productive and harmonious workplace.

OUR PERFORMANCE IN 2024 – CARE

Shared Value for Society

As a responsible community developer, we recognise that public welfare is a shared responsibility. We encourage our employees to invest time and skills in community development, building stronger bonds with the communities we serve. By 2030, we aim to accumulate 150,000 volunteer hours. In 2024, our employees contributed over 14,323 hours, engaging more than 1,300 volunteers, and donating around RMB 2 million. This year, our primary focus was on volunteer efforts and donations to individuals and groups in need, including underprivileged communities and migrant children in China, and the elderly.

Shui On Seagull Club

The Seagull Club, a non-profit charity initiated by our employees promotes Shui On Land's commitment to social responsibility and sustainability. All registration fees and donations from its activities are funnelled directly to social welfare projects through the Seagull Club. Across Shanghai, Nanjing, Chongqing, Wuhan, and Foshan, the Seagull Club has organised a variety of impactful events:

- We organised a trip to the North District for grassroots elders, featuring visits to tourist attractions, a delicious meal with volunteers and an informative session on the latest residential care services for the elderly, aimed at dispelling negative perceptions about retirement residence.
- The "2024 Pay It Forward" charity carnival took place at Panlong Tiandi, including a charity market, game booths and a charity run. A total of 800 runners took part, including employees, their family members and friends. They contributed 67,099,451 steps (about 46,210 kilometres) over 15 days, and 11,742 volunteer hours. The total donation raised was around RMB 300,000, all of which was used to support the 'Seagull Club' charity project for urban migrant children.



Volunteer outreach activity

- Shui On Xintiandi partnered with the One Foundation to launch a public welfare programme aimed at supporting children in underdeveloped and disaster-affected areas. The programme distributed "Winter Warmth Packages", containing essential items for children such as jackets, toys and backpacks. To fund this initiative, our aim is to earn 50,000 "green hearts", which are points earned by redeeming points from our member loyalty scheme, iTiandi, or by customers' sustainable behaviour, such as shopping at green stores, using reusable bottles or using NEV parking.



Donation with "Winter Warmth Packages" with "Green Hearts"

- We hosted a Charity Family Day Carnival, engaged 508 participants who contributed a total of 2,581 volunteer hours. Activities included interactive family programmes to foster connections among family members, meaningful community service experiences for participants to feel the value of giving back, sustainable development showcases to raise environmental awareness, and pet friendly activities to add to the fun. In addition, the event was designed with a series of check-in challenges and a charity marketplace to spread the joy.



2024 "Pay It Forward" charity carnival

Corporate Governance

2024 Highlights

Conducted regular
**simulated cybersecurity
breach drills**



**Updated Information
Safety Policy**
to enhance information and data security



Reviewed and strengthened our whistleblowing
protocols and policies, **by revising the
Irregularity Reporting Policy**



Delivered training on business ethics and ESG-
specific topics to **all employees** through
10+ sessions covering responsible
marketing and advertising



We are committed to being a trusted partner for all stakeholders fostering a corporate culture founded on integrity, transparency and accountability. By embedding the highest standards of corporate governance and business ethics into our daily operations, we ensure compliance and aim to exceed expectations.

Guided by our 5C Sustainability Strategy, our ambitions for 2030 shape our governance approach further detailed in our [Corporate Governance page](#) and the 2024 Annual Corporate Governance Report.

Sustainability Governance and Transparency

As a company with nearly 3,000 staff managing more than two million square metres of space, we recognise the significance of a robust corporate governance framework that integrates sustainability to drive sustainable urban community development.

By actively promoting sustainability through employee training and linking compensation to sustainability KPIs, we embed our commitment to sustainability across all levels of the organisation, from staff to senior management and 5C teams. To effectively foster sustainable development, we have tied the compensation of our CEO, CFO, CSO, and the Sustainable Development Executive Committee—as well as each Working Team, department head and project head in Feng Cheng Property Management and Shui On Construction—to sustainability-related KPIs measuring performance on climate change and social objectives. In 2024, these sustainability KPIs were translated and cascaded to project heads of each project and asset laying the groundwork for concrete actions to advance sustainability. Our management and oversight of sustainability issues are deeply integrated into our business plans and the day-to-day management of sustainability tasks within our operations. This involves aligning corporate governance practices with sustainability priorities and incorporating sustainability-related risks into our enterprise risk management systems.

OUR PERFORMANCE IN 2024 – CORPORATE GOVERNANCE

Ensuring Corporate Governance is Sustainable

We recognise the critical role of leadership in embedding sustainability management and performance at both the Board and executive levels. This commitment shapes our culture, operations, and business relationships. In 2024, the following initiatives were undertaken to align corporate governance with the 5C Sustainability Strategy:

- Cascading compensation-linked sustainability KPIs to department and project heads in Feng Cheng Property Management and Shui On Construction for all projects .
- Conducting a comprehensive review and update of the Crisis Management Manual and providing advanced crisis management training for governance bodies.
- Delivering training designed to enhance senior management's expertise in climate risk management.

Our Board spearheads the planning and execution of the 5C Sustainability Strategy, with the Board Sustainability Committee providing leadership to ensure its integration into overall business operations. Guided by the CSO, the Sustainable Development Department drives the formulation of sustainability policies, oversees their implementation across business units, and monitors the Group's progress toward achieving both short- and long-term sustainability goals.

Our Board Diversity Policy serves as a framework for fostering a more diverse and balanced Board in terms of skills, experience, gender, and knowledge. Additional details can be found in our 2024 Annual Corporate Governance Report. By the end of 2024, Independent Non-Executive Directors (INEDs) represented seven out of eleven Directors, accounting for approximately 63% of the Board. In terms of gender diversity, female representation increased to 36%, up from 31% in 2023 and 27% in 2022, reflecting our commitment to balanced and inclusive leadership.

Recognising the importance of sustainability in property development and asset management, we are committed to establishing systematic data systems and improving our reporting processes. Since 2022, we have enhanced the disclosures in our Annual Corporate Governance Report, aligning them with specific GRI Disclosures related to governance structure and impact management. Moving forward, we will continue monitoring the latest GRI disclosure requirements to further enhance our reporting.

Engaging employees with our corporate vision and strategic approach to sustainability remains a priority. In 2024, we conducted nine sustainability training sessions for all new employees as part of their orientation, and held two townhall sessions sharing for all employees to share insights on sustainability topics. These efforts ensure that employees gain a comprehensive understanding of the Group's sustainability commitments and initiatives. Across our operations, we remain committed to investing in sustainability-related training and engagement activities.

Incorporating Sustainability-related Risks into Enterprise Risk Management

Our governance structure reflects our commitment to ethical behaviour and the mitigation of operational risks. The Board oversees effective risk management and internal controls ensuring they safeguard our assets and protect the interests of our shareholders. This oversight has become increasingly critical as sustainability-related risks continue to shape our business environment. In response, we have embedded these risks into our corporate Enterprise Risk Management (ERM) framework enhancing our ability to address sustainability challenges.

In 2024, we conducted a comprehensive physical risk site assessment for all our operating assets and engaged an external consultant to carry out a transition risk scenario analysis, quantifying the financial impact of climate transition risks on our operations. Additionally, we adopted the TCFD framework, by implementing a [Climate Change Policy](#) throughout the organisation.

To strengthen our ability to manage sustainability and climate risks, we provided specialised training for the Sustainable Development Executive Committee and the Board Sustainability Committee. These training sessions covered the results of the climate change physical risk and transition risk scenario analysis, its implications for our business, and updates on key sustainability and climate risk regulations and frameworks, including the HKEX ESG Reporting Code, Hong Kong's roadmap for sustainability disclosure (including proposed Hong Kong Financial Reporting Standards), and IFRS Climate-related Disclosure sustainability standards.

OUR PERFORMANCE IN 2024 – CORPORATE GOVERNANCE

Increasing the Use of Sustainable Financing

As a responsible real estate developer, we are committed to integrating sustainable development into every aspect of our business. We actively pursue opportunities to finance our sustainability initiatives through green financing mechanisms. In November 2019, we launched our first green bond with the proceeds dedicated to renovating selected properties to promote green buildings standards within our portfolio. These efforts included improving energy efficiency and installing water conservation fixtures at Shui On Plaza and our headquarters at Shui On Land.

In 2021, we issued a Sustainability-Linked Bond tied to a Sustainability Performance Target of reducing Scope 1 and 2 GHG emissions intensity (per square metre) by 25% by 2024 from 2019 level. As of 2024, we have already achieved 51.3% reduction in emissions intensity compared to the 2019 baseline—well beyond our original target. This demonstrates our unwavering commitment to driving tangible environmental impact through sustainable financing mechanisms, accelerating progress toward a greener and more prosperous future.

Emergency Preparation and Risk Mitigation

Our Emergency Preparedness Team plays a crucial role in maintaining robust preventive measures and standardised protocols to safeguard the safety of our staff, residents, tenants, and customers. Within our operations we adhere to the principles of the COSO (Committee of Sponsoring Organisations of the Treadway Commission), risk management framework, which we adopt to identify and assess “principal” risks.

To support our risk management and compliance efforts, our Compliance Manual Consolidated Risk and Incident-Related Policies provides clear guidance on aligning with current industry standards. In 2024, we conducted workshops to deepen our staff's

understanding of risk management from both financial and legal perspective, offering valuable insights to these critical topics. Additionally, risk management training sessions were organised to equip employees with the knowledge needed to effectively address potential crises.

In 2024, we conducted a comprehensive review of our risk management system identifying opportunities for risk owners to update their records on various risks, including sustainability and climate-related risks where necessary. These updates, along with the risk management report and inventories were presented to and approved by the Board Audit and Risk Committee and the Board in early 2025. This approval will guide our risk mitigation activities in 2025.

Looking ahead, our objectives are:

- Consider updating KPIs for corporate governance with reference to the latest HKEX Corporate Governance Code;
- Conduct a gap analysis against the latest ISSB disclosure requirements, identifying key and cost-effective improvements to meet updated governance-related requirements;
- Strengthen collaboration with the internal audit team to promote robust risk management practices, while expanding the scope and depth of training programmes;
- Explore offering legal training on legal compliance for employees in the leasing business, particularly for projects involving multinational corporation tenants. Partnerships have been established with overseas law firms to ensure compliance with foreign legal frameworks;
- Streamline lease agreement templates to improve clarity and accessibility for our tenants, promoting legal compliance and social equity.

OUR PERFORMANCE IN 2024 – CORPORATE GOVERNANCE

Cybersecurity

We remain committed to ensuring information security and safeguarding our customers' data. In 2024 we updated our Information Safety Policy which is now accessible to employees on the company portal. Our Personal Information Security Management System earned ISO 27701 and 27001 certifications reflecting our commitment to network security compliance, risk management, information security management responsibility, protection of enterprise and personal sensitive data, safeguarding brand reputation and customer trust. Additionally, with the increasing use of consumer-end systems, we attained the National Classified Protection of Information Security Class III certification for a key customer platform, ensuring robust data protection.

To strengthen our cybersecurity defences, we conduct regular simulated hacker attack drills to prepare for emerging threats. Other ongoing initiatives include frequent information security and data protection training for employees as well as specialised programmes such as IT phishing defence, routine system reviews and updates. Moreover, our systems in China meet the National Classified Protection Information Security Class III standard, and we consistently inspect data centres to proactively prevent data breaches.



Highest Standards of Integrity in Our Business Operation and Supply Chain

Through our commitment to operating with integrity, we have earned the trust of customers, partners and stakeholders across our value chain. This trust stems from our strict adherence to laws, regulations⁶, and our robust corporate governance, reinforced by our strong internal controls and risk management protocols.

Our Ethics Committee and the Board Audit and Risk Committee provide oversight for all matters related to our conduct and business ethics. They regularly review corporate governance practices and policies, including the Code of Conduct and Business Ethics, and are responsible for initiating anti-corruption training and management. The Internal Audit and Risk Department conducts comprehensive audits of all business units and processes every three years based on an annual audit plan approved by the Board Audit and Risk Committee. Additionally, the department performs regular data analyses to monitor irregularities and identify potential business ethics concerns.

[The Code of Conduct and Business Ethics](#) serves as a guiding framework for the ethical and legal operations of our organisation and employees, helping us navigate complex situations. It is routinely updated to ensure it mirrors the ethos of Shui On and to align with evolving standards.

SOL ensures employees are well-informed about our expectations for business ethics. All employees are required to submit a declaration of adherence to the Code of Conduct and Business Ethics. In 2024, we achieved full compliance with this annual declaration for senior management. To further raise awareness, we provided quarterly news briefs on fraud and corruption to senior management.

6 See the Content Index which outlines relevant laws and regulations in more detail, per topic.

OUR PERFORMANCE IN 2024 – CORPORATE GOVERNANCE

Below is a summary of the business ethics trainings and workshops we organised for different categories of employees during the reporting year:

Participants	Types of training
All employees (from senior management to part-time staff and contractors)	Mandatory annual Code of Conduct and Business Ethics training, including procurement, sales, leasing, and comprehensive internal control and risk management based on the COSO and ERM frameworks for senior management Online training on responsible marketing is provided and is made available on staff's portal
New employees	Ethics training is provided to new employees upon orientation, where a total of nine new employee orientation sessions were held in 2024 Our ethics training, conducted in person, introduced our policies on business ethics including our Code of Conduct and Business Ethics, as well as our Irregularity Reporting Policy, our organisational culture and relevant provisions on business ethics stipulated in the Listing Rules
Employees in property management team	Workshops to enhance their knowledge on business ethics, and to share best-practices and case studies
Specific employees	Annual online "Business Ethics" training, focused on spotting corruption and reporting breaches of the Code of Conduct and Business Ethics

For our operations, we comply and adhere to relevant anti-corruption regulations and laws within our operating jurisdictions. Our anti-corruption policies are integrated into the standard contracts with business partners. Training on the Code of Conduct and Business Ethics is also extended to suppliers and contractors, forming a crucial part of our annual Supplier and Contractor Forum. In 2024, this forum was attended by all strategic suppliers and main contractors, reflecting our collective commitment to upholding high ethical standards and fostering sustainable practices across our operations.

International Anti-Corruption Day Film Screening Event

To raise awareness about anti-corruption among employees, the Ethics Committee organised a film screening event on 6 December 2024, in recognition of International Anti Corruption Day as designated by the United Nations. This initiative deepened our colleagues' understanding of corruption risks and reinforced the United Nations' message that "eliminating corruption is everyone's responsibility".



Promoting the International Anti-Corruption Day at SOL

OUR PERFORMANCE IN 2024 – CORPORATE GOVERNANCE

Promoting Ethical Practice Awareness

At SOL, we require all employees to report any violations through designated channels. Our well-established Irregularities Reporting System (or whistleblowing system) enables employees and business partners to confidentially raise concerns via telephone or email. To improve the transparency and accountability of our whistleblowing process, we reviewed our Whistleblowing Policy and revised the Irregularity Reporting Policy in 2024.

These updates strengthen our internal whistleblowing protocols, including the establishment of clear response times for each reported case. Alongside the formal reporting system, we encourage staff to communicate compliance matters through internal channels, such as their direct line managers, Human Resources, or the Legal department.

Our Whistleblowing Policy ensures the protection of whistleblowers: “Persons making appropriate complaints under this policy are assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action, even if the concerns turn out to be unsubstantiated”. SOL is firmly committed to a no-retaliation policy for employees who report in good faith.

All cases reported through the whistleblowing system are reviewed by the Ethics Committee and escalated to our Board Audit and Risk Committee when necessary. If a complaint involves senior management, it can be directed to a dedicated email address accessible only by the chairman of the Board Audit and Risk Committee. Other types of reports are directed to the chairman of the Ethics Committee. In collaboration with the Internal Audit team, the chairman evaluates the issue. For ethics-related complaints, the Ethics Committee chairman collaborates with an Internal Audit representative during the investigation, and may also seek support from relevant departments, including Human Resources, Legal, Finance and Accounting, Projects, and/or Operations, to conduct a thorough review.

Following the investigation, the Ethics Committee reviews the findings, determines disciplinary actions and recommends appropriate remedial actions to the Board Audit and Risk Committee. This committee reports to the Board of Directors with recommendations for improvements based on the reviewed reports.

Preventing Forced and Child Labour

Our Human Resources, Legal, and Internal Audit teams are steadfast in ensuring compliance with labour laws and regulations, minimising the risks of forced or child labour within our operation. As part of our preventive measures, we verify applicants' IDs to avoid underage recruitment and register all employee details on the provincial government website to further mitigate the risk of child labour.

We ensure job roles and requirements are clearly communicated to all applicants before employment and include specific terms in our contracts regarding position, location, and remuneration. We also ensure that labour contract registration dates are legal and clearly defined.

When suspected cases of forced or child labour arise, SOL conducts a comprehensive investigation into the employment conditions. If violations are confirmed, SOL immediately terminates the employment, provides compensation measures, and takes appropriate disciplinary action against the responsible parties, which may include termination.

We extend these ethical standards to our partners throughout the value chain. Our Supplier Code of Conduct outlines our expectations for suppliers regarding legal compliance, governance, and business ethics. We strictly mandate that suppliers avoid forced or child labour in their operations, reaffirming our commitment to ethical labour practices.

OUR PERFORMANCE IN 2024 – CORPORATE GOVERNANCE

Responsible Marketing

At SOL we are committed to responsible marketing practices, strictly adhering to advertising standards and relevant laws across our marketing, advertising and sales practices. We ensure that customers receive accurate and precise information, avoiding misleading or deceptive tactics.

In 2024, we reviewed our marketing contracts and promotional materials to ensure compliance with marketing-related laws, including the Advertising Law of the People’s Republic of China and the Civil Code of the People’s Republic of China, which prohibits intellectual property right infringement. Furthermore, our corporate operation team conducts annual inspections of the residential marketing process to ensure compliance with applicable laws and policies.

Our dedication extends to providing consumers with safe, high-quality products and services. In 2024, we revised the membership regulations of iTiandi, our marketing platform and loyalty scheme, to elevate the ethical standards embedded within these regulations. Regular internal audits ensure SOL’s adherence to responsible marketing policies and ethical promotion practices.

To further enhance awareness, we organise training on responsible marketing and advertising for our employees annually. In 2024, these training sessions focused on advertising content compliance and highlighted common marketing pitfalls. Moreover, our Internal Audit team provided targeted training to headquarter and project marketing teams on internal control and risk management during the marketing process. Additionally, we conducted marketing workshops to analyse internal control and data analysis issues to enhance awareness of risk management practices.

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Analysis of Top Material Topics

The following table presents the potential risks and opportunities associated with the top material topics identified from our double materiality assessment conducted in 2024. These impacts will be periodically reviewed and updated to reflect evolving impacts and priorities.

5C Pillar	Material Topics	Impact to the economy, environment and people	Impact on our business
Clean	Green and Healthy Buildings	Stakeholders, including tenants and investors, are increasingly focused on decarbonisation, driving demand for innovative real estate solutions. SOL's properties feature innovative green design, creating a healthier indoor environment and also focusing on sustainable and healthy open spaces for the public. Additionally, companies adopting more green and healthy building practices and achieving increased certifications are driving the push for green and healthy building standards that can transform the entire industry to be increasingly sustainable, further contributing to a low-carbon economy and more resilient communities.	Adopting green building strategies can lead to operational cost savings through minimising energy and water consumption, as well as lowering waste management expenses. Buildings that are less energy-efficient, healthy or resilient may face a decrease on asset value over time. Green buildings can also create financial opportunities by attracting tenants concerned about ESG issues, ensuring long-term occupancy. Investment in green building initiatives helps us comply with evolving environmental regulations and standards, ensuring ongoing adherence and minimising the risk of legal and compliance challenges.
Clean	Energy Efficiency and Emission Management	Implementing energy efficiency measures and investing in cleaner energy are crucial to reducing GHG emissions and supporting global climate action, as these actions can accelerate the transition to a low-carbon economy. These are important measures to mitigate climate change and conserve resources, contributing to healthy ecosystems and long-term economic and social resilience.	In the short term, spending on retrofitting will increase operational costs. However, in the long term, investing in energy-efficient technologies reduces utility and maintenance expenses, enhances property value, attracts environmentally conscious tenants, and ensures compliance with foreseeable building codes on energy efficiency. These factors contribute to long-term profitability while lowering operational costs from energy price fluctuations and potential carbon taxes.
Community	Master Planning	Thoughtful master-planning considers factors such as community-oriented development, accessibility, pedestrian-friendly spaces, and respect for local culture, fostering sustainable and health lifestyles that meet the needs of diverse populations. The Nine Principles of Sustainable Urban Development of Shui On Land guides our master-planning approach to create communities for diverse populations, promoting social interaction, culture and well-being. Additionally, by incorporating biodiversity and inclusiveness considerations, our master-planned developments not only support environmental sustainability but also build trust with stakeholders, including local communities and regulators. This approach ensures that our current and future developments contribute positively to the community and its environment.	Master planning represents the core competitiveness of SOL, directly impacting financial performance and operational efficiency. A holistic master plan based on long-term value creation optimises land use, minimises construction and operating costs, and enhances economic viability, resulting in improved profitability. Effective master planning can increase asset value by ensuring developments align with municipal development focus and market demand, mitigating financial risks and fostering sustainable growth.

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5C Pillar	Material Topics	Impact to the economy, environment and people	Impact on our business
Culture	Urban Regeneration and Historical Building Adaptive Reuse	Urban regeneration and adaptive reuse of historical buildings significantly contribute to community revitalisation and cultural preservation by breathing new life into dilapidated areas and forgotten local culture, fostering social cohesion, and enhancing local quality of life. Preserving the historical context of buildings also contributes to economic growth by attracting tourism, increasing property values, and stimulating local businesses.	Urban regeneration is a core aspect of SOL's business strategy and aligns with the development priorities of the cities in which we operate. It optimises resource efficiency while preserving historic fabrics with redevelopments. By leveraging local historical contexts and enhancing them through a combination of traditional architectural features and modern building techniques, SOL can establish a distinctive brand reputation that differentiates us in the marketplace. The exceptional capabilities of historical building adaptive reuse can strengthen the company's strategic competency in providing urban solutions for governments, thereby enhancing long-term financial performance.
Corporate Governance	Risk Management	By addressing risks related to environmental impact, safety, and regulatory compliance, SOL demonstrates commitment to social responsibility. This approach minimises negative impacts on communities while fostering positive relationships with residents, local authorities, business partners and investors. Robust risk management ultimately supports the long-term viability of both SOL and the communities we serve.	Risk management directly impacts our sustainable development and brand reputation. It identifies, assesses, and mitigates potential financial losses from market fluctuations, regulatory changes, and operational challenges. By implementing robust strategies, we can safeguard assets, optimise investment returns, and ensure financial stability, leading to improved profitability and sustainability.
Corporate Governance	Product/Service Quality and Responsibility	Stakeholders increasingly demand properties to meet safety, environmental, and ethical standards. By focusing on quality and responsibility, SOL contributes to sustainable development, enhances community wellbeing, builds trust, and supports broader social goals.	Product and service quality is essential, to maintain a strong revenue. High-quality properties increase tenant and customer's satisfaction, increase occupancy rates, and boost rental income. Investing in quality lowers maintenance costs and enhances asset values, driving long-term profitability. High quality standards strengthen brand reputation, attracting more investors and supporting SOL's financial stability and growth.

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Climate-related Financial Disclosure

In alignment with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)—now incorporated into the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures—we maintain a systemic approach to identify, assess, and manage climate-related risks and opportunities, bolstering the resilience of our business, assets, communities, customers, and workforce. Recognising climate change's profound impacts on real estate investments, we adopt a science-based, pragmatic climate resilience approach to mitigate and adapt to climate-related physical risks such as extreme weather, rising temperatures, and heavy rainfall.

We maintain an up-to-date understanding of the climate-related risks and opportunities affecting our operations and future developments, with periodic reviews of climate scenario analyses to refine adaptation strategies. This approach enables proactive mitigation of climate change impacts while safeguarding operational continuity. During the reporting year, we completed on-site physical climate risk assessments for all assets, yielding valuable insights into climate vulnerabilities, and allowing us to plan and implement relevant mitigation measures that strengthen climate resilience across all our assets. In 2024, we also appointed an external consultant to conduct a transition risk scenario analysis, evaluating and quantifying the financial implications that SOL may encounter in the shift toward a low-carbon economy.

Governance

As detailed in this Report's [Corporate Governance](#) chapter, our Board is responsible for the planning and execution of our 5C Sustainability Strategy, and overseeing the climate-related risks and opportunities it encompasses. The Board Sustainability Committee directly supports the Board to ensure our business operations align with our 5C Sustainability Strategy. This governance structure highlights our commitment to embed sustainability efforts in our senior leadership, particularly climate resilience. The refreshed version of our 5C Sustainability Strategy will continue to guide our sustainability endeavours, including decarbonisation and climate adaptation.

Sustainability Governance and Oversight

The Board of Directors	Our highest governance body with overall responsibility for our sustainability efforts.
The Board Sustainability Committee	The committee, comprised of selected company directors, meet regularly to discuss and decide on sustainability objectives, including climate-related issues, for SOL's long-term development and stakeholder value creation. The Committee directly monitors and guides our overall sustainability performance. During the reporting year, the Committee reported to the Board twice on sustainability-related progress and issues, including matters related to climate change.
Sustainable Development Executive Committee (SD EXCOM)	Consisting of Vice Chairman, the CEO, Executive Directors, Senior Directors, and the CSO, the Committee is responsible for the strategic direction of sustainable development and establishing key long-term targets. The committee meets regularly to consider sustainability issues, including climate-related issues, and make decisions on behalf of the Board Sustainability Committee, which makes further decisions as necessary.
Chief Sustainability Officer	The CSO leads and drives the integration of sustainability principles and practices into SOL's strategy and operations. The CSO is also tasked with fostering a culture within SOL that embeds and prioritises sustainability and climate-related matters.
5C Teams	Responsible for the central steering and implementation of SOL's sustainability strategy, these teams manage the KPIs for their goals. They meet regularly to drive implementation and address problems that arise. KPIs are distributed to relevant departments for execution. Each team reports progress to the Sustainable Development Executive Committee regularly and provides consolidated reports to the Audit and Risk Committee for submission to the Board of Directors.
Sustainable Development Department	The Department supports the development and implementation of sustainability policies and strategies by offering technical expertise, coordinating communication across departments and sustainability-related trainings, both internally and externally, and monitoring SOL's progress in achieving its sustainability goals and targets. During the reporting year, we reported four times to the Sustainable Development Executive Committee, and twice to the Board Sustainability Committee on sustainability and climate-related progress and issues.

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Our Board rigorously evaluates risks, including sustainability concerns, reviewing relevant strategies, metrics, targets, internal controls, and remediation actions to manage and mitigate these risks. This robust governance structure allows us to address emerging sustainability issues effectively across all levels, from the Board Sustainability Committee to the Sustainable Development Executive Committee, the 5C Teams, and the Sustainable Development Department. These structures support our Enterprise Risk Management (ERM) and sustainability risk management strategies, encompassing risk identification, assessment, communication, reporting, and governance.

Sustainability matters that requires immediate attention are escalated to the Board. Under its guidance, we have integrated sustainability and climate-related risks into our daily operations, long-term strategy and major business decision-making. Regular training on climate-related issues is provided to the Board and senior management to inform latest and evolving trends in the climate change and sustainability landscape. This year, we provided training to our Board members, SD EXCOM members and senior management on SOL's exposure to climate-related physical and transition risks at the Group and asset level. To promote sustainable performance, we have linked sustainability KPIs, including performance on carbon reduction and climate risk management and sustainability governance, to the remuneration of members of key governance body and sustainability team members. These KPIs are also cascaded to department and project directors, embedding sustainability in the decision-making and actions across various levels to ensure a cohesive and accountable approach to drive our 5C sustainability objectives.

Risk Management

Our climate scenario analyses have systematically evaluated both physical and transition risks and opportunities that climate change posed to our business, guiding the development of long-term adaptation and resilience strategies. We have quantified the potential financial impacts of these climate-related risks and opportunities on our assets and operations. Building on these insights, we are strengthening our climate risk mitigation and adaptation measures through progressive investment in various aspects including but not limited to enhancing our climate risk analyses, constructing green and healthy buildings, and improving our overall climate resilience through master-planning.

Physical Risks

In 2023, we completed an asset-level climate scenario analysis of physical risks using three Shared Socioeconomic Pathways (SSP1-2.6, SSP2-4.5, and SSP5-8.5) from the Intergovernmental Panel on Climate Change across selected time horizons (2030, 2050, and 2070). Our analysis took into account six climate hazards—extreme heat, extreme precipitation, river flood, typhoons, drought, and wildfires, along with sea level rise, and assessed their impacts across our 22 existing assets in Shanghai, Wuhan, Foshan, Nanjing and Chongqing. For precise analysis, each asset was geocoded and aligned with rooftop-level coordinates..

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Assumptions Adopted for the Analysis

SSP scenario-specific assumptions				
	SSP1-2.6		SSP2-4.5	SSP5-8.5
Macroeconomic trends	World of sustainability-focused growth and equality		“Middle of the road” world where trends broadly follow their historical patterns	World of rapid and unconstrained growth in economic output and energy use
	Low GHG emissions	CO ₂ emissions cut to net zero around 2050	Intermediate GHG emission	Very high GHG emissions
			CO ₂ emissions around current levels until 2050, then falling but not reaching net zero by 2100	CO ₂ emissions triple by 2075
Estimated warming (2081-2100)	1.3 – 2.4°C		2.1 – 3.5°C	3.3 – 5.7°C
Global GDP	High		Medium High	Very high
Population growth	Low-medium depending on country		Medium	Low-high depending on country
Education	High		Medium	High
Global primary energy use by fuel type in 2100	Gas (217 EJ) and Renewables (181 EJ)		Coal (359 EJ) and Gas (347 EJ)	Coal (888 EJ) and Gas (447 EJ)
Fossil-fuel prices	Low		Medium	High

From the exercise, we have identified that the most pertinent climate hazards for SOL are extreme heat and extreme precipitation, which constitutes acute shocks. Our analysis pinpointed the top five assets with the highest climate value-at-risk (CVaR) under the SSP5-8.5 scenario for the year 2070, which are located in Shanghai, Nanjing, and Wuhan. Below tables detail the risk levels¹ for the two most pertinent climate hazards faced by the cities where our assets are situated, projected under various scenarios and time horizons.

¹ The risk levels in the climate model are presented as value ranges, the weighted average of 5th percentile, 50th percentile and 95th percentile values are adopted to generate the risk identification results.

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Risk Identification Results by City — Extreme Precipitation

City	2030			2050			2070		
	SSP1- 2.6	SSP2- 4.5	SSP5- 8.5	SSP1- 2.6	SSP2- 4.5	SSP5- 8.5	SSP1- 2.6	SSP2- 4.5	SSP5- 8.5
Chongqing	Low	Low	Low	Low	Low	Low	Low	Low	High
Foshan	Low	Low	Low	Low	Low	Low	Low	Low	High
Nanjing	Low	Low	Low	Low	Low	High	Low	High	High
Shanghai	Low	Low	Low	Low	Low	Low	Low	Low	Low
Wuhan	High	High	High	High	High	High	High	High	High

Risk Identification Results by City — Extreme Heat

City	2030			2050			2070		
	SSP1- 2.6	SSP2- 4.5	SSP5- 8.5	SSP1- 2.6	SSP2- 4.5	SSP5- 8.5	SSP1- 2.6	SSP2- 4.5	SSP5- 8.5
Chongqing	Low	Low	Low	Low	High	High	High	High	High
Foshan	Low	Low	Low	High	High	High	High	High	High
Nanjing	Low	Low	Low	Low	Low	Low	Low	Low	High
Shanghai	Low	Low	Low	Low	Low	Low	Low	Low	High
Wuhan	Low	Low	Low	Low	High	High	High	High	High



The potential financial and operational impacts of the identified physical hazards are described in the following table:

Physical Risk	Potential Operational Impacts on our Business and Value Chain	Potential Financial Impacts
Extreme heat: More frequent and prolonged heatwaves, along with highest average temperatures	<ul style="list-style-type: none"> Increased health and safety risks to employees, workers, tenants and customers due to prolonged exposure under high temperature Increased energy demand may lead to overloading of the power system, and potential power cut or even outage Increase demand for cooling facilities 	<ul style="list-style-type: none"> Increased health and safety risks to outdoor construction workers, potentially decreasing productivity and increasing costs related to impact on workforce Higher cooling cost and overall operating expenses Extreme heat may discourage visitors and reduce consumer traffic to our properties
Extreme precipitation and flooding: More frequent extreme precipitation	<ul style="list-style-type: none"> Increased safety risks to workers, employees, tenants and consumers Greater need for robust business continuity to ensure the safety of workers, employees, tenants and customers Heightened demand for installing flooding-proof measures Potential business interruptions due to flooding and transport issues Reputational damage from delayed project completion and disruptions in the supply chain 	<ul style="list-style-type: none"> Potential loss of revenue due to operational disruptions and impeded traffic flow affecting projects Potential increase in operating costs related to ensuring the safety of workers, employees, tenants and customers Potential increase in loss and damage, as well as insurance premium for climate-induced incidents Higher capital expenditures for preventive measures

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Based on these findings, we conducted a comprehensive on-site assessments for all our operating assets in 2024 to assess their climate vulnerability against extreme precipitation and extreme heat, which are the most pertinent climate hazards identified in 2023, as well as typhoon, which emerges as a recurring extreme weather event across our asset locations.

The on-site assessment, conducted by our property management team, evaluated the effectiveness of our facilities and management practices against the identified physical climate risks, including site basement entrances, roof, drainage system, air conditioning and refrigeration unit, curtain wall and emergency response mechanism. The inspections helped us identify on-site vulnerabilities pertinent to each of the climate hazards and the mitigation measures needed to address them. Considering these findings, the Group has initiated or is considering the following climate change mitigation and adaptation measures:

- Revising our climate risk assessment procedures to integrate into our site selection, land acquisition, master-planning and design processes.
- Established low-carbon material supplier inventory for concrete, cement and steel, and embedded material emission requirements into procurement standards for these materials to minimise embodied carbon for new constructions.
- Continuously empowering suppliers in reducing GHG emissions and to conduct product life cycle assessment.
- Committed to green and healthy building design with over 96% of existing assets by GFA obtained green or healthy building certifications. Revising building design checklist to include features that cope with rising temperatures, such as shading structures and increased natural ventilation.
- Continuously raising the Group's use of renewable electricity across our portfolio.
- Establishing an operational manual to guide operational practice for enhancing climate resilience. Evaluating the performance of each asset and seeking the most cost-effective approaches to reduce building maintenance and lifecycle expenses.
- Establish a standardised early warning, disaster prevention and business recovery plan to ensure business continuity.
- Fostering long-term partnerships with research institutions to stay abreast of the latest developments in green technology.
- Adopting "green tenancy" principles in our tenant engagement and management strategies, including the development of enhanced green leases focusing on energy efficiency and smart technology to lower tenant energy consumption and improve visibility of energy use during tenancy.
- Engaging with government authorities as an urban solution provider to bolster community resilience.

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Transition Risks

In 2024, we engaged an external consultant to conduct a scenario analysis on climate-related transition risks, aimed at evaluating the risks SOL may face while transitioning to a low-carbon economy. We utilised three global transition scenarios developed by the Central Banks and Supervisors' Network for Greening the Financial System (NGFS)—Current Policies, Below 2°C, and Net Zero 2050—across three time horizons—2030 (short-term), 2040 (medium term), and 2050 (long term). These high-contrast scenarios were chosen to examine the range of potential implications for SOL.

Assumptions Adopted for Transition Risk Scenario Analysis

NGFS scenario-specific assumptions			
	Current Policies	Below 2°C	Net Zero 2050
Macroeconomic trends	Only currently implemented climate policies are preserved, leading to high physical risks.	Climate policies are introduced immediately and become gradually more stringent though not as high as in Net Zero 2050.	Global warming is limited to 1.5°C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050.
Estimated warming	~3°C	~1.8°C	~1.4°C
Policy reaction	None – current policies	Immediate and smooth	Immediate and smooth
Technology change	Slow change	Moderate change	Fast change

The Current Policies Scenario – Reflects the ongoing policies and regulations as they currently exist worldwide. It assumes no additional climate measures beyond what is already implemented. Consequently, warming is projected to exceed 3°C above pre-industrial levels.

The Below 2°C Scenario – Outlines a path where global warming is limited to below 2°C. It requires significant and immediate reductions in greenhouse gas emissions, supported by strong policies and technological advancements aimed at achieving climate targets.

The Net Zero 2050 Scenario – Envisions reaching net-zero greenhouse gas emissions by the year 2050. It entails drastic emission cuts, widespread adoption of clean energy, and enhanced carbon capture technologies to balance out any remaining emissions with equivalent removals from the atmosphere.

These high-contrast scenarios aim to highlight the spectrum between more favourable and less favourable outcomes, providing insights for SOL to understand the risks and opportunities associated with climate change, which could significantly affect our business operations and value chain.

During the scenario analysis, we assumed steady business growth and excluded projections of future new property developments, given their inherent unpredictability.

Results and from Transition Risks and Opportunities

The following table outlines the transition risks that are assessed to be relevant to our business and their potential financial and operational impacts, in particular under a Net Zero 2050 scenario, where transition risks are expected to be more material. During the exercise, we shortlisted a total of nine transition risks and opportunities based on desktop research and stakeholder engagement, evaluating their relevance to SOL from a Group level.

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Transition Risk	Potential Financial and Operational Impacts
R1 Mandates and regulations due to climate change	<ul style="list-style-type: none"> Incentives for active decarbonisation may facilitate SOL's ability to meet current targets Meeting mandates and regulations could necessitate higher capital costs
R2 Change in energy costs	<ul style="list-style-type: none"> Transitioning to low-carbon electricity and phasing out fossil fuels may lead to short-term increases in energy costs In the long term, energy costs could decline as renewable energy prices decrease
R3 Change in raw material prices	<ul style="list-style-type: none"> Carbon taxes and stringent regulations on carbon-intensive industries like cement and steel could raise the costs of these materials A shift towards innovation and technology focused on low-carbon alternatives may emerge
R4 Changing consumer preference	<ul style="list-style-type: none"> Potential need for rapid adaptation to meet the demands of consumers willing to pay a premium for sustainable building features Failing to adapt could undermine SOL's competitive advantage
R5 Changing investor/ financial expectations	<ul style="list-style-type: none"> Tighter green finance standards may necessitate greater effort to obtain green financing Without adopting mitigation and adaptation measures, SOL may face "brown discounts" or divestment of stranded assets
R6 Increased cost of insurance	<ul style="list-style-type: none"> A slower increase in insurance premiums could be expected with lower projected physical risks in the long term, coupled with proactive efforts to enhance climate resilience achieve net-zero emissions
Climate-related opportunities	
O1 Use of lower-emission sources of energy and adoption of energy efficient measures	<ul style="list-style-type: none"> Existing buildings requiring retrofitting with energy-efficient technologies could benefit from lower capital costs
O2 Development of low-carbon and resilient buildings	<ul style="list-style-type: none"> Opportunities exist for developing low-carbon and resilient buildings, attracting environmentally conscious tenants More energy-efficient assets could secure green finance more easily
O3 Resource substitutes/ diversification	<ul style="list-style-type: none"> The building sector could transition rapidly towards renewable energy, with low-carbon electricity projected to make up over half of its energy mix This diversification could help reduce SOL's energy costs and lower capital expenditures

The heat map below presents an overview of the findings from the scenario analysis, highlighting the rate of change of transition risks and climate-related opportunities as compared to baseline year, 2024.

In terms of transition risks, we anticipate these to have a greater impact in the short term under the Net Zero 2050 scenario. This is largely due to the significant changes in regulations, market dynamics, and technology adoption required to facilitate a shift toward a low-carbon economy.

On the other hand, climate-related opportunities are expected to become more prominent, as there could be a growing preference for sustainable practices and low-carbon products and services. This shift could create business opportunities for SOL to increase our focus on business models centred around sustainability.

APPENDIX

Estimated Climate-related Transition Risks and Opportunities under Different Climate Scenarios across three time horizons

	2030			2040			2050		
	Current Policies	Below 2C	Net Zero 2050	Current Policies	Below 2C	Net Zero 2050	Current Policies	Below 2C	Net Zero 2050
Transition Risks									
R1 Mandates and regulations due to climate change	Low	High	Very High	Low	High	Very High	Medium	High	Very High
R2 Change in energy cost	Medium	Medium	High	High	Very High	Very High	High	High	Very High
R3 Change in raw material price	Medium	High	Very High	Low	High	Very High	High	High	Very High
R4 Changing consumer preference	Low	Low	Medium	Medium	Medium	High	Medium	Medium	High
R5 Changing investor/ financier expectations	Low	Medium	High	Medium	Medium	High	Medium	High	Very High
R6 Increased cost of insurance	Medium	Low	Low	Medium	Low	Low	High	Low	Very High
Transition Opportunities									
O1 Use lower-emission energy and energy efficient measures	Low	Medium	Medium	Low	Medium	Medium	Medium	Medium	Medium
O2 Development of low-carbon and resilient buildings	Low	Medium	High	Low	Medium	High	Low	High	High
O3 Resource substitutes/diversification	Low	Low	High	Low	Low	High	Low	Low	High

Transition Risk

Low	Medium	High	Very High
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Transition Opportunities

Low	Medium	High	Very High
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To further understand the potential implications of transition risks and opportunities at an asset-level, all our operating properties in Mainland China across Shanghai, Chongqing, Foshan, Nanjing and Wuhan were included to assess their existing building efficiency (e.g. level of building certification attained, energy costs per floor area and level of Scope 2 emissions). For assets that are identified to be of lower efficiency, we will consider the need for further engagement with the respective asset managers to ensure the properties can stay resilient as the economy transition to lower-carbon.

The Group has undertaken or is contemplating the following measures:

- Adhering to relevant national standards for building energy efficiency and renewable energy utilisation, which includes implementing energy-saving measures, acquiring energy-efficient equipment, and performing energy audits to ensure compliance.
- Continuing our commitment on increasing the use of renewable electricity across our portfolio in a phased approach. As of 2024 year-end, the Group's operational renewable electricity increased to 35% portfolio wide, with Shanghai Xintiandi and Nanjing IFC transitioned to use 100% renewable electricity for its operation.
- Increasing the use of low-carbon materials in construction to curb carbon emissions during the building process and transportation; while signed the "Collaboration Statement on Low Carbon Emissions Steel for Real Estate in China" to collaborate with industry working groups on reducing high embodied-carbon materials.
- Continuously increasing the coverage of our Deep Green Lease Programme to engage more tenants in adopting sustainable and energy-efficient operations.
- Continuing collaboration with ecosystem partners, such as the Shanghai Climate Week and Hong Kong University of Science and Technology, to foster a green and sustainable innovation ecosystem; while scouting for emerging green technologies and exploring feasibilities to apply in our development and operation.
- Considering additional recognised building standards that highlight our dedication to climate change preparedness.

APPENDIX

Strategy

Our strategic time horizons are categorised as follows: the short term encompasses a period of up to three years, which aligns with our company's financial planning cycle. The medium-term spans up to five years, in line with our science-based targets established in 2023. The long term extends from the present year, 2024, to 2050, reflecting the enduring nature of our business and supporting the climate action agenda of the Chinese Mainland and Hong Kong.

The shift from a carbon-intensive economy to a low-carbon one is anticipated to unveil opportunities for enterprises like us. We have implemented various strategies and mitigation measures in relieving the negative impacts of climate-related risks, and remain committed to identifying climate-related opportunities and enhancing our resilience against climate change. We invest in climate mitigation and adaptation measures, such as upgrading to energy-efficient technology across our assets and procuring renewable energy, which is expected to result in a short-term increase of our capital expenditure.

We are confident that our company is well-positioned to leverage the potential opportunities arising from the impacts of climate change in the future.

Opportunities	Potential Operational Impacts on our Business and Value Chain	Potential Financial Impacts
Consumer preference: Growing client/ consumer preference for climate-resilient and green buildings	<ul style="list-style-type: none"> Increased market demand and preference to pay for green and climate-resilient buildings Enhanced corporation reputation for owning climate-resilient assets and exercising sound climate-related governance and risk management 	<ul style="list-style-type: none"> Failure to adapt to shifting customer preferences for green and climate-resilient features may result in declining rental income due to brown discount of assets Revenue growth due to enhanced competitive edge and alignment with shifting consumer preferences
Green finance: More incentives available for funding R&D or investments in low-carbon operations	<ul style="list-style-type: none"> Heightened interest from investors and financiers, leading to greater capital availability for increased adoption of green technologies Enhanced reliability of supply chain due to investment and adoption of low-emission technology 	<ul style="list-style-type: none"> Reduced cost of capital due to incentives for green finance initiatives

In response to these opportunities, the Group is actively considering or has already initiated the following actions:

- Promoting the use of smart applications and technology to facilitate low-carbon living for consumers, including smart light switches and sensors.
- Maintaining investment in research and development focused on climate adaptation and resilience.
- Enhancing the disclosure of climate-related risks and aligning reports with internationally recognised standards to bolster transparency for investors.

To guide our decarbonisation journey, we have also developed a comprehensive transition plan aimed at achieving SOL's 2030 5C Sustainability Strategy and enhancing our climate resilience. This plan outlines our transition levers and strategic changes, such as changing our energy mix, while emphasizing stakeholder engagement and robust monitoring.

During the development of our transition plan, we assume a stable regulatory environment with continued technological advancements and growing market demand for green buildings, and access to necessary funding. We also recognise that a successful implementation of the transition plan will depend on collaboration with stakeholders, a resilient supply chain, and active employee engagement. By addressing these factors, our plan positions SOL as a leader in sustainability and effective climate action.

As the climate risk landscape evolves, it continues to influence our business operations. We have integrated these risks into our corporate enterprise risk management (ERM) framework to comprehensively identify sustainability risks. Recognising both the challenges and opportunities of climate change, we are dedicated to reducing its impacts and investing in climate resilience planning.

APPENDIX

Metrics and Targets

We are committed to achieving net-zero emissions by 2050 across our operations and development projects as guided by the following targets:

Year	Targets	Progress
2024	Develop climate change adaption strategy against physical risk for new developments from design to operation stage	✓
	Develop climate change physical risk assessment checklist and conduct internal assessment of all SXTD assets	✓
	Review existing transition risk assessment results and consider engaging an external consultant to further define transitional risk for the company	✓
2025	Develop SOL Climate Change Adaptation Guideline for Development & Operations	⦿
	Embed this Guideline in all future development projects and assets	⦿

Progress key:  Ongoing  Achieved

As the first developer in China to join the SBTi, we are honoured to share that our near-term science-based emissions reduction targets have received SBTi approval. These targets² include:

- Reduction in Scope 1 and 2 GHG emissions intensity by 62.4% by 2030, using 2019 as the base year.
- Reduction in Scope 3 GHG emissions intensity from purchased goods and services by 22% by 2030, from a 2019 base year.
- Reduction in Scope 3 GHG emissions intensity from downstream leased assets by 22% by 2030, from a 2019 base year.

We are committed to continuing reviewing and, if necessary, recalculating and revalidating our science-based targets at least every five years. In 2024, there were no revisions made to our science-based target.

Following the launch of our 5C Sustainability Strategy in 2020, we have achieved a 51.3% reduction in Scope 1 and 2 carbon emissions intensity and 28.1% reduction in tenant emissions from our 2019 base year. Coupled with our new efforts, we are constantly considering investments in new technologies and seeking partnerships with our business associates to advance our goal of achieving carbon neutrality.

Please refer to the [Appendix: Environmental Performance](#) in this Report for details of our Scope 1 and 2 emissions from 2021 to 2024, and [Appendix: Carbon Emissions – Scope 3 Emissions Inventory and Methodology](#) for details of our Scope 3 emissions.

² The targets were derived using a sectoral decarbonisation approach.

APPENDIX

Awards, Accolades and Membership

In 2024, we earned numerous sustainability-related certifications and awards. Most significantly, we were delighted to be recognised for our efforts relating to:

Major Awards and Accolades

AWARD	AWARDED RECIPIENT	ISSUING ORGANISATION
Climate Leadership Award	Shui On Land	CDP China
Fortune China ESG Influential Listing 2024	Shui On Land	Fortune China
HKIRA 10th Investor Relations Awards 2024 – Best IR Company (Small Cap)	Shui On Land	Hong Kong Investor Relations Association
Chairman’s/President’s Letter of 2023 Annual Report – Silver Award	Shui On Land	ARC Awards 2024
Excellence in Environment, Social and Governance – Platinum Award	Shui On Land	The Asset
Best Corporate Governance and ESG Awards 2024 – Corporate Governance–Special Mention	Shui On Land	The Hong Kong Institute of Certified Public Accountants
Best Corporate Governance and ESG Awards 2024 – ESG Award	Shui On Land	The Hong Kong Institute of Certified Public Accountants
UN Women’s Empowerment Principles Asia Pacific Award 2024 – Transparency & Reporting–1st Runner Up	Shui On Land	UN Women’s Empowerment Principles
Listed Company Awards of Excellence 2024	Shui On Land	Hong Kong Economic Journal
ESG Leading Enterprise Awards 2024	Shui On Land	Bloomberg Businessweek – Chinese Edition
Best Residential Project – Silver Award	Riverville	MIPIM Asia Awards
Best Cultural, Educational and Urban Regeneration Project – Gold Award	Hong Shou Fang	MIPIM Asia Awards
National Night Culture and Tourism Consumption Gathering Area	Lingnan Tiandi	Ministry of Culture and Tourism of the People’s Republic of China
Pro+ Award – Silver Award in Public Building	Wuhan Changjiang Tiandi	Pro+ Award
Asia’s Power Businesswomen 2024	Ms. Stephanie B. Y. Lo	Forbes Asia
Influential People in China Real Estate	Ms. Jessica Y. Wang	lfeng.com
Instyle Women of Times	Ms. Jessica Y. Wang	Instyle
Top 30 Influential Business Leaders in Commercial and Commercial Real Estate	Mr. Allan B. Zhang	Van Sound Club
HKIRA 10th Investor Relations Awards 2024 – Best IR by CFO	Mr. Douglas H. H. Sung	Hong Kong Investor Relations Association

Memberships and Affiliation

NAME OF ORGANISATION	NATURE OF MEMBERSHIP
Shanghai Foreign Investment Association	Vice Chairman
Shanghai Foreign Investment Association – Urban Regeneration Branch	Chairman
Shanghai Foreign Investment Association – MNC Regional Headquarters ESG Branch	Vice Chairman
Shanghai Real Estate Trade Association	Vice Chairman
Shanghai Real Estate Chamber of Commerce	Vice Chairman
Shanghai Services Federation	Vice Chairman
Shanghai Green Building Council	Vice Chairman
Chamber of International Commerce Shanghai	Vice Chairman
Shanghai Female Enterprisers Association	Vice Chairman
Shanghai Council for Brand Development	Affiliate Member
Shanghai Public Relations Association	Member
China Carbon Neutral Action Alliance	Affiliate Member
ULI Net-zero Imperative	Expert Panel
Hong Kong Proptech Alliance – Low Carbon Construction Solutions Working Group	Working Group Member

APPENDIX

Performance Data Summary

Relevant figures from past years are disclosed as they were collected or made available. Unless otherwise indicated, data covers Shui On Land, Shui On Xintiandi, Feng Cheng Property Management and Shui On Construction.

Environmental Performance

Relevant Disclosure	Description	Unit	2021	2022	2023	2024
Emissions						
Greenhouse gas emissions ^{3,4}						
HKEX 1.2; GRI 305-1, 305-2, 305-3	Scope 1 (Direct emissions)		6,666	8,376	9,932	9,867
	Scope 2 – market-based		76,385	73,121	81,182	76,654
	Scope 2 – location-based	Tonnes CO ₂ e	78,387	81,304	91,968	95,140
	Scope 1 & Scope 2 combined – market-based		83,051	81,496	91,114	86,521
	Scope 1 & Scope 2 combined – location-based		85,053	89,680	101,900	105,006
	Scope 1 & Scope 2 per square metre of floor area – market-based		0.042	0.031	0.034	0.030
	Scope 1 & Scope 2 per square metre of floor area – location-based	Tonnes CO ₂ e/m ²	0.043	0.034	0.038	0.037
Energy						
Energy consumption and intensity						
HKEX A2.1; GRI 302-1; GRI 302-3	Natural gas	MWh	18,585	29,678	32,459	36,555
		m ³	1,760,772	2,811,754	3,075,238	3,463,287
	Diesel	MWh	393	499	489	449
		Litre	9,118	11,576	11,340	10,427
	Gasoline	MWh	1,803	1,817	1,988	2,128
		Litre	49,251	49,636	54,291	58,120
	Electricity purchased from the grid (non-renewable)		109,882	104,707	108,586	108,655
	Electricity purchased from renewable source	MWh	5,946	15,921	27,131	37,630
	Purchased cooling		9,350	7,067	8,284	8,763
	Purchased heat		3,746	3,515	3,794	4,233
Total energy consumption		149,705 ⁵	163,204 ⁵	182,731 ⁵	198,413	
Intensity of energy consumption	MWh/1,000 m ²	76.27 ⁵	61.47 ⁵	67.94 ⁵	69.93	
Water						
Water consumption and intensity						
HKEX A2.2	Total water consumption	m ³	1,171,225	1,166,466	1,313,503	1,328,037
	Water consumption intensity	m ³ /1000m ²	585.79	439.32	488.39	468.04
	Sewage discharge	m ³	1,054,102	1,045,720	1,182,153	1,195,233
Waste						
Hazardous waste						
HKEX A1.3	Hazardous waste produced	kg	3,699	3,464	1,350	1,601
	Discharge density of hazardous waste	kg/1,000 m ²	2.04	1.30	0.50	0.56
Non-hazardous waste						
HKEX A1.4	Total discharge of construction waste		30,931	27,136	14,882	18,227
	Dry garbage		22,272	22,473	21,513	20,398
	Food waste		19,934	14,524	14,635	14,136
	Total discharge of household garbage	tonnes	43,449	39,116	39,039	39,863
	Total discharge of non-hazardous waste		74,376	66,249	53,901	58,089 ⁶
	Recycled materials		1,239	2,116	2,871	5,328
	Discharge density of non-hazardous waste	tonnes/1,000 m ²	40.91	24.95	20.04	20.47

3 We calculate our GHG emissions using an operational control approach, allowing us to accurately account for emissions stemming from activities over which we have direct influence and control. There are no changes to our measurement compared to the last reporting period.

4 Our Scope 1 emissions include emissions from stationary and mobile combustion sources, fire extinguishers and refrigerant. Our Scope 2 emissions include emissions from purchased electricity, heat and cooling.

5 The figure has been restated to reflect the actual situation that year.

6 The increase in total discharge of non-hazardous waste in 2024 is attributed to the incorporation of data from two new projects.

APPENDIX

Carbon Emissions – Scope 3 Emissions Inventory and Methodology

We have enhanced our scope 3 GHG emissions inventory and disclosed the emissions of nine categories along our value chain in 2024. In our calculation, we refer to the Greenhouse Gas Protocol (GHG Protocol).

Scope 3 Category	Description	Applicability	Methodology and assumptions (or exclusion justification)	Source of emission factor	2024 (Tonnes CO ₂)
1: Purchased goods and services	Emissions from extraction, production and transportation associated with SOL's purchased goods and services	Yes	Amount of construction materials delivered to construction sites is multiplied by emission factor provided by suppliers. For suppliers who are unable to provide embodied carbon, an average of national values was used. Emissions from miscellaneous purchased goods and services were excluded due to insignificant embodied carbon impact.	Embodied carbon emission factor provided by suppliers. Standard for building carbon emission calculation (GB/T 51366-2019).	182,999
2: Capital goods	Emissions from extraction, production and transportation associated with SOL's capital goods	Yes	Procurement spend data are multiplied by emission factors.	"Supply Chain GHG Emission Factors for US Commodities and Industries" published by the United States Environmental Protection Agency.	145
3: Fuel and energy-related activities	Emissions related to the production of fuels and energy purchased and consumed by SOL that are not included in scope 1 or scope 2.	Yes	Data on gasoline and diesel are multiplied by average emission factors.	China Products Carbon Footprint Factors Database (2022).	35
4: Upstream transportation and distribution	Emissions from transportation and distribution of product purchased by SOL	Yes	Distance of transportation and distribution of good are multiplied by the weight of goods, and emission factor of heavy goods vehicle.	China Products Carbon Footprint Factors Database (2022).	575
5: Waste generated in operations	Emissions from disposal and treatment of waste generated	Yes	Primary waste data from operating properties are multiplied by respective emission factor by waste categories.	China Products Carbon Footprint Factors Database (2022).	13,934
6: Business travel	Emission from employees' business-related activities by transportation	Yes	Flight distance is multiplied by corresponding emission factor.	China Products Carbon Footprint Factors Database (2022).	178
7: Employee commuting	Emissions from transportation of employee between their homes and worksites	Yes	Number of employees are multiplied by the average commuting distance in "China Major Cities Commuting Monitoring Report 2024", and emission factor of diesel bus.	China Products Carbon Footprint Factors Database (2022).	224
8: Upstream leased assets	Emissions from operation of assets leased by SOL	Excluded	This is reported as scope 1 and 2 emissions.	N/A	N/A
9: Downstream transportation and distribution	Emissions from transportation and distribution of product sold	Excluded	SOL is a real estate company focused on developing and managing property assets for lease or sale. There are no manufactured products and hence no emission to report under this category.	N/A	N/A

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Scope 3 Category	Description	Applicability	Methodology and assumptions (or exclusion justification)	Source of emission factor	2024 (Tonnes CO ₂)
10: Processing of sold products	Emissions from processing of sold intermediate product by third parties	Excluded	SOL is not involved in the processing of sold intermediate products and hence no emissions to report under this category.	N/A	N/A
11: Use of sold products	Emissions from use of goods and services sold by SOL	Yes	GFA of each building multiplied by national average energy consumption of building, years of usage, and emission factor.	GB/T 51161-2016 Standard for Energy Consumption of Building. Electricity: Average emission factor for regional power grids published by China's Ministry of Health and Environment. Natural gas: Default Emission Factor × Calorific Value × Oxidation Rate, where the default emission factor and oxidation rate are referenced from the "IPCC 2006 National Greenhouse Gas Inventory Guidelines," and the calorific value is sourced from the China Energy Statistical Yearbook.	334,032
12: End-of-life treatment of sold products	End of life carbon emissions from waste disposal and treatment of trading properties	Excluded	The end-of-life treatment approach for sold products is highly uncertain and lacks objective methodology for reliable reporting under this category.	N/A	N/A
13: Downstream leased assets	Emissions from operation of assets owned by SOL and leased to other entities	Yes	Data of metred electricity consumption are multiplied by regional emission factors.	Average emission factor for regional power grids published by China's Ministry of Health and Environment.	124,795
14: Franchises	Emissions from operation of SOL's franchises	Excluded	SOL has no franchises within the business and therefore there are no emissions to report under this category.	N/A	N/A
15: Investments	Emissions from operation of SOL's investments	Excluded	SOL mainly develops and manages properties. The low level of investment activity does not constitute a material contribution to overall GHG emissions.	N/A	N/A

APPENDIX

Social Performance

Relevant Disclosure	Description	Unit	2021	2022	2023	2024
Workforce – General Employment						
	Employment by gender					
	Male		1,683	1,631	1,592	1,477
	Female	# employees	1,503	1,467	1,462	1,374
	Total		3,186	3,098	3,054	2,851
	Employment by contract type					
	<i>Permanent contract</i>					
	Permanent contract by gender					
	Male	# employees	–	526	556	607
	Female		–	582	609	657
	Permanent contract by region					
	Hong Kong		–	6	7	6
	Mainland China	# employees	–	1,102	1,158	1,258
	Total		1,051	1,108	1,165	1,264
	<i>Temporary contract</i>					
	Temporary contract by gender					
	Male	# employees	–	1,105	1,036	870
	Female		–	885	853	717
	Temporary contract by region					
	Hong Kong		–	2	2	2
	Mainland China	# employees	–	1,988	1,887	1,585
	Total		2,135	1,990	1,889	1,587
	Employees by employment type					
	<i>Full time</i>					
	Full Time by Gender					
	Male	# employees	–	1,631	1,592	1,477
	Female		–	1,467	1,462	1,374
	Full Time by Region					
	Hong Kong		–	8	9	8
	Mainland China	# employees	–	3,090	3,045	2,843
	Total		3,186	3,098	3,054	2,851
	<i>Part time</i>					
	Total ⁷	# employees	0	0	0	0
	<i>Non-guaranteed hours</i>					
	Total ⁸	# employees	11	0	5	0
	Total Employees by age group					
	Under 30 years		521	450	394	307
	30-50 years	# employees	2,301	2,286	2,330	2,263
	Above 50 years		364	362	330	281
	Employment by geographical region					
	Hong Kong		9	8	9	8
	Mainland China	# employees	3,177	3,090	3,045	2,843
	Employment by employee category					
	<i>Senior Management</i>					
	Male		–	–	26	24
	Female	# employees	–	–	22	22
	Total		41	45	48	46
	<i>Middle Management</i>					
	Male		–	–	49	45
	Female	# employees	–	–	51	51
	Total		96	101	100	96
	<i>Staff</i>					
	Male		–	–	1,517	1,408
	Female	# employees	–	–	1,389	1,301
	Total		3,049	2,952	2,906	2,709

7 In general SOL does not hire on a part-time basis.

8 Non-guaranteed hours employees include interns.

APPENDIX

Relevant Disclosure	Description	Unit	2021	2022	2023	2024
Workforce – New Hires and Turnover						
GRI 401-1	New employee hires rate by gender					
	Male		–	–	57%	56%
	Female	%	–	–	43%	44%
	New employee hires rate by age group					
	Under 30 years		–	–	31%	55.0%
	30-50 years	%	–	–	68%	44.2%
	Above 50 years		–	–	2%	0.8%
	New employee hires rate by geographical region					
	Hong Kong	%	–	–	0.2%	0.3%
	Mainland China		–	–	99.8%	99.7%
HKEX B1.2	Employee turnover rate by gender					
	Male		23%	19%	21%	23%
	Female	%	20%	16%	16%	19%
	Employee turnover rate by age group					
	Under 30 years		44%	31%	29%	39%
	30-50 years	%	17%	15%	16%	18%
	Above 50 years		15%	17%	25%	21%
	Employee turnover rate by geographical region					
	Hong Kong	%	22%	13%	0%	25%
	Mainland China		21%	18%	19%	21%
Workforce – OHS						
HKEX B2.1	Number and rate of workplace fatalities					
	Workplace fatalities	# employees	0	0	1	0
HKEX B2.2	Rate	%	0%	0%	0.03%	0%
	Lost days due to work injury					
	Lost days due to work injury	Days	533	159	508	452
	Work related injuries					
GRI 403-9		Cases	0	0	1	0
	Fatality as a result of work-related injury	per 100 employees	0	0	0.03%	0
	High-consequence work-related injury (excluding fatalities)	Cases	0	0	0	0
		per 100 employees	0	0	0	0
	Recordable work-related injury	Cases	27	13	18	13
	per 100 employees	0.85	0.42	0.59 ⁹	0.45	
Workforce – Training						
HKEX B3.1	Employees trained by gender					
	Male		99.7%	99.8%	99.4%	99.6%
	Female	%	99.8%	99.8%	98.7%	99.9%
	Employees trained by employee category					
	Senior Management		73.5%	100%	100%	100%
	Middle Management	%	96.9%	100%	99.0%	100%
	Staff		100%	99.8%	99.1%	99.7%
	Average training hours completed by gender					
	Male	Hours	20.3	24.0	29.6	45.6
	Female		18.3	19.8	26.9	42.4
HKEX B3.2	Average training hours completed by employee category					
	Senior Management		7.5	15.5	19.7	29.58
	Middle Management	Hours	16.3	15.7	21.6	28.05
	Staff		19.6	23.3	28.7	44.87

⁹ The recordable work-related injury rate per 100 employees in 2023 has been restated.

APPENDIX

Relevant Disclosure	Description	Unit	2021	2022	2023	2024
Workforce – Diversity						
	Diversity of Governance Body and Employee					
	<i>Diversity of governance body</i>					
	By age group					
	Under 30 years old		0%	0%	0%	0%
	30-50 years old	%	22.22%	27.27%	25.00%	27.27%
	Above 50 years old		77.78%	72.73%	75.00%	72.73%
	By gender					
GRI 405-1	Male	%	77.78%	72.73%	66.67%	36.36%
	Female		22.22%	27.27%	33.33%	63.64%
	<i>Diversity of employee</i>					
	By age group					
	Under 30 years old		16.35%	14.53%	12.90%	10.77%
	30-50 years old	%	72.22%	73.79%	76.29%	79.38%
	Above 50 years old		11.42%	11.68%	10.81%	9.86%
	By gender					
	Male	%	52.82%	52.65%	52.13%	51.81%
	Female		47.18%	47.35%	47.87%	48.19%
Workforce – Employee Benefits						
	Employees that took parental leave					
	Male		34	22	22	31
	Female	# employees	65	67	62	70
	Total		99	89	84	101
	Employees that returned to work after parental leave ended that were still employed 12 months after their return to work					
GRI 401-3	Male		25	21	14	20
	Female	# employees	46	54	45	39
	Total		71	75	59	59
	Retention rate of employees that took parental leave ¹⁰					
	Male		96%	62%	64%	95%
	Female	%	61%	83%	67%	74%
	Total		70% ¹¹	76%	66%	80%
Supply Chain – Suppliers						
	Suppliers by geographical region					
HKEX B5.1	From Hong Kong		52	52	52	127
	From China	#	5,172	4,943	5,464	7,586 ¹²
	From elsewhere		67	67	67	53
	Total		5,291	5,062	5,583	7,766
GRI 204-1	Proportion of spending on local suppliers					
	Products and services purchased locally	%	100%	100%	100%	100%
Community Investment						
	Resources Contributed (e.g. money or time) to the Focus Area					
HKEX B8.2	Total Charitable Donations (in cash)	RMB	13,310,000	5,038,566	2,073,304	2,063,970
	Total hours of employee volunteering contributed	Hours	3,099	179,924	11,900	14,323
Product Responsibility and Customer Satisfaction						
	Service-related complaints received					
	Total complaints received	#	2,112	2,777	2,960	2,073
	Complaint handling rate	%	100%	100%	100%	100%
	Customer satisfaction					
HKEX B6.2	Overall customer satisfaction of the properties		94.7	93.8	94.9	95.2
	Residential customer satisfaction		95.3	95.2	95.8	94.6
	Office building customer satisfaction	# out of 100	94.6	92.6	95.0	94.9
	Shopping mall customer satisfaction		94.2	93.7	94.0	95.4
	Customer satisfaction		–	–	–	95.8

10 The retention rate of employees who took parental leave in 2022 and 2023 has been restated.

11 The total retention rate of employees that took parental leave in 2021 has been restated.

12 In 2024, we enhanced our supplier management with a new supplier management system that ensures more accuracy and completeness, leading to the increase in the number of suppliers compared to previous years.

APPENDIX

Governance Performance

Relevant Disclosure	Description	Unit	2021	2022	2023	2024
Anti-corruption						
Communication and training about anti-corruption policies and procedures						
<i>Communicated about organisation's anti-corruption policies and procedures</i>						
GRI 205-2	Governance Body		100%	100%	100%	100%
	Employee	%	100%	100%	100%	100%
	Business Partners		100%	100%	100%	100%
<i>Trained on Organisation's anti-corruption policies and procedures</i>						
	Governance Body		100%	100%	100%	100%
	Employee	%	100%	100%	100%	100%
Concluded legal cases regarding corrupt practices						
HKEX B7.1	Concluded legal cases regarding corrupt practices brought against the company		0	0	0	0
HKEX B7.3	Concluded legal cases regarding corrupt practices brought against any company employees	# of cases	0	0	0	0

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GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index

This index provides mapping of the information related to disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Standards of 2021, HKEX ESG Guide, the Sustainability Accounting Standards Board (SASB) for Real Estate Sector Disclosure.

GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
General Disclosure				
GRI 2: General Disclosures 2021 and SASB for Real Estate Sector Disclosure				
The organisation and its reporting practices				
GRI: 2-1 SASB: IF-RE-000.A IF-RE-000.B IF-RE-000.C IF-RE-000.D	–	Organisational details	• About Shui On Land	• Annual Report – Directors' Report
2-2	–	Entities included in the organisation's sustainability reporting	• About this Report	–
2-3	–	Reporting period, frequency and contact point	• About this Report	–
2-4	–	Restatements of information	• Performance Data Summary	–
2-5	–	External assurance	• Assurance Statement	–
Activities and workers				
2-6	KPI B5.1 KPI B5.2 KPI B5.3	Activities, value chain and other business relationships	• Approach to Sustainability – Stakeholder Engagement • 2024 – At a Glance – Performance across the 5C Pillars – Community • Clean – Performance Data Summary – Social Performance	–
2-7	KPI B1.1	Employees	• Care • Performance Data Summary – Social Performance	–
2-8	–	Workers who are not employees		During the reporting year, SOL did not hire workers who are not employees including contractors.
Governance				
2-9	–	Governance structure and composition	• Approach to Sustainability – Sustainability Governance • Corporate Governance	–
2-10	–	Nomination and selection of the highest governance body	–	• Annual Report – Corporate Governance Report
2-11	–	Chair of the highest governance body	–	• Annual Report – Biographies of Directors and Senior Management
2-12	–	Role of the highest governance body in overseeing the management of impacts	• Approach of Sustainability – Sustainability Governance • Corporate Governance	Please refer to the ESG policies published in our official website for the frequency of Board reviewing the respective ESG policies: • Climate Change Policy • Diversity and Inclusion Policy • Biodiversity Policy • Supplier Code of Conduct • Board Diversity Policy
2-13	–	Delegation of responsibility for managing impacts	• Approach of Sustainability – Sustainability Governance • Corporate Governance	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
2-14	–	Role of the highest governance body in sustainability reporting	• Approach to Sustainability – Sustainability Governance	–
2-15	–	Conflicts of interest	–	• Annual Report – External Corporate Culture & Biographies of Directors and Senior Management
2-16	–	Communication of critical concerns	• Corporate Governance	–
2-17	–	Collective knowledge of the highest governance body	• Corporate Governance	–
2-18	–	Evaluation of the performance of the highest governance body	–	• Annual Report – Corporate Governance Report
2-19	–	Remuneration policies	–	• Annual Report – Corporate Governance Report & Directors' Report & Notes to the Consolidated Financial Statements
2-20	–	Process to determine remuneration	–	• Annual Report – Corporate Governance Report
2-21	–	Annual total compensation ratio	–	The information is treated as confidential.
Strategy, policies and practices				
2-22	–	Statement on sustainable development strategy	• Chairman's Message	–
2-23	–	Policy commitments	• Corporate Governance – Sustainability Governance and Transparency	–
2-24	–	Embedding policy commitments	• Corporate Governance – Sustainability Governance and Transparency	–
2-25	–	Processes to remediate negative impacts	• Appendix – Climate-related Financial Disclosure	–
2-26	–	Mechanisms for seeking advice and raising concerns	• Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain	–
2-27	–	Compliance with laws and regulations	• GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index	–
2-28	–	Membership associations	• Appendix – Memberships and Affiliation	–
Stakeholder engagement				
2-29	–	Approach to stakeholder engagement	• Approach to Sustainability – Stakeholder Engagement	–
2-30	–	Collective bargaining agreements	–	Not reported – All of SOL's employees are in Chinese Mainland or in Hong Kong where there is no statutory recognition of collective bargaining agreements.
GRI 3: Material Topics 2022				
3-1	–	Process to determine material topics	• Approach to Sustainability – Materiality Assessment	–
3-2	–	List of material topics	• Approach to Sustainability – Materiality Assessment	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
Topic-specific Disclosures				
MATERIAL TOPICS – GRI 200 SERIES (ECONOMIC TOPICS)				
GRI 201: Economic Performance				
3-3	General Disclosure (GD) B8	Discussion of management approach and related policies	<ul style="list-style-type: none"> Clean – Decarbonisation Clean – Climate Change Adaptation 	–
201-1	KPI B8.2	Direct economic value generated and distributed	<ul style="list-style-type: none"> Care – Wellbeing, Health and Safety 	–
201-2	KPI A4.1	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> Clean – Climate Change Adaptation 	–
201-3	–	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> Care – Wellbeing, Health and Safety 	–
GRI 203: Indirect Economic Impacts				
3-3	GD B8	Discussion of management approach and related policies	<ul style="list-style-type: none"> Community 	–
203-2	KPI B8.1	Significant indirect economic impacts	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	–
GRI 204: Procurement Practices, GRI 308: Supplier Environmental Assessment, GRI 414: Supplier Social Assessment and HKEX Aspect B5 Supply Chain Management				
3-3	GD B5 KPI B5.3	Discussion of management approach and related policies (Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored)	<ul style="list-style-type: none"> Community – Sustainable Lifestyle and Work Solutions Performance Data Summary – Social Performance 	–
–	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<ul style="list-style-type: none"> Approach to Sustainability – Stakeholder Engagement Community – Sustainable Lifestyles and Work Solutions 	–
204-1	–	Proportion of spending on local suppliers	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	–
308-1	–	New suppliers that were screened using environmental criteria		–
414-1	–	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> Community – Sustainable Lifestyles and Work Solutions 	–
414-2	–	Negative social impacts in the supply chain and actions taken		–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 205: Anti-corruption				
3-3	GD B7	Discussion of management approach and related policies	<ul style="list-style-type: none"> Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain Corporate Governance – Sustainability Governance and Transparency 	–
205-2	–	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain Performance Data Summary – Social Performance 	–
205-3	KPI B7.1	Confirmed incidents of corruption and actions taken (Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees and the outcomes of the cases)	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	There were no confirmed incidents of corruption during the reporting year, and neither the Company nor its employees were involved in any legal cases regarding corrupt practices.
–	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	<ul style="list-style-type: none"> Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain 	
–	KPI B7.3	Description of anti-corruption training provided to directors and staff	<ul style="list-style-type: none"> Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain 	
MATERIAL TOPICS – GRI 300 SERIES (ENVIRONMENTAL TOPICS), HKEX ENVIRONMENTAL SUBJECT AREA and SASB for Real Estate Sector Disclosure				
GRI 301: Materials				
3-3	GD A2 GD A3	Discussion of management approach and related policies	<ul style="list-style-type: none"> Clean 	–
301-1	KPI A2.5	Materials used by weight or volume (Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.)	–	Not applicable. The Group mainly provides real estate development and operation services which do not involve packaging materials used for manufactured goods.
GRI 302: Energy and SASB Real Estate: Energy Management				
3-3	GD A2 GD A3	Discussion of management approach and related policies	–	<p>During the reporting period, we have complied with all applicable environmental laws and regulations related to energy management, such as; Chinese Mainland:</p> <ul style="list-style-type: none"> Environmental Protection Law of the People's Republic of China Energy Conservation Law of the People's Republic of China
GRI: 302-1 SASB: IF-RE-130a.1 IF-RE-130a.2 IF-RE-130a.3	KPI A2.1	Energy consumption within the organisation	<ul style="list-style-type: none"> Clean – Decarbonisation Performance Data Summary – Environmental Performance 	The energy consumption data covered 100% of the reporting scope. Approximately 20% of our energy is procured from renewable source. For the energy consumption data and like-for-like percentage change breakdown, please refer to the Performance Data Summary.
302-4	KPI A2.3	Reduction of energy consumption (Description of energy use efficiency initiatives and results achieved.)	<ul style="list-style-type: none"> Clean – Decarbonisation Clean – Climate Change Adaptation 	–
302-3	KPI A2.1	Energy intensity	<ul style="list-style-type: none"> Clean – Healthy Communities and Buildings Performance Data Summary – Environmental Performance 	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 303: Water and effluents (2018) and SASB Real Estate: Water Management				
3-3	GD A2 GD A3	Discussion of management approach and related policies	• Clean – Healthy Communities and Buildings	<p>During the reporting period, we have complied with all applicable environmental laws and regulations related to water discharge, such as;</p> <p>Chinese Mainland:</p> <ul style="list-style-type: none"> • Soil Pollution Prevention and Control Law of the People's Republic of China • Water Pollution Prevention and Control Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes • Water Law of the People's Republic of China • Water and Soil Conservation Law of the People's Republic of China <p>Hong Kong:</p> <ul style="list-style-type: none"> • Water Pollution Control Ordinance (Cap.358)
GRI: 301-1 SASB: IF-RE-140a.4	KPI A2.5	Interactions with water as a shared resource (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.)	• Clean – Healthy Communities and Buildings	–
GRI: 303-3 SASB: IF-RE-140a.1 IF-RE-140a.2 IF-RE-140a.3	KPI A2.4	Water withdrawal (Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.)	• Clean – Water Conservation • Performance Data Summary – Environmental Performance	<p>The water consumed by our Group in Chinese Mainland and Hong Kong comes from municipal water supplies. There were no issues related to sourcing water that was fit for purpose in 2024.</p> <p>The water withdrawal data covered 100% of the reporting scope. For the water withdrawal data and like-for-like percentage change breakdown, please refer to the Performance Data Summary.</p>
303-5	KPI A2.2	Water consumption (in total and intensity (e.g. per unit of production volume, per facility).)	• Clean – Healthy Communities and Buildings • Performance Data Summary – Environmental Performance	–
GRI 305: Emissions				
3-3 307-1	GD A1 GD A3	Discussion of management approach and related policies	• Clean – Decarbonisation • GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index	<p>During the reporting period, we have complied with all applicable environmental laws and regulations related to emissions, such as;</p> <p>Chinese Mainland:</p> <ul style="list-style-type: none"> • Energy Conservation Law of the People's Republic of China • Atmospheric Pollution Prevention and Control Law of the People's Republic of China <p>Hong Kong:</p> <ul style="list-style-type: none"> • Air Pollution Control Ordinance (Cap.311) • Ozone Layer Protection Ordinance (Cap.403) • Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611)
305-1	KPI A1.1 KPI A1.2 KPI A1.5	Direct (Scope 1) GHG emissions	• Clean – Decarbonisation • Performance Data Summary – Environmental Performance	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
305-2		Other Indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Clean – Decarbonisation Performance Data Summary – Environmental Performance 	
305-4		GHG emission intensities	<ul style="list-style-type: none"> Clean – Decarbonisation Performance Data Summary – Environmental Performance 	
305-5		Reduction of GHG emissions	<ul style="list-style-type: none"> Clean – Decarbonisation 	
305-7		Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	–	Emissions of NO _x , SO _x and other air pollutants are considered not significant in our operations.
GRI 306: Waste (2020)				
3-3	GD A1 GD A3	Discussion of management approach and related policies	<ul style="list-style-type: none"> Clean – Resource Management and Circularity GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index 	<p>During the reporting period, we have complied with all applicable environmental laws and regulations related to waste management, such as;</p> <p>Chinese Mainland:</p> <ul style="list-style-type: none"> Law of the People's Republic of China on Evaluation of Environmental Effects Environmental Protection Law of the People's Republic of China Environmental Protection Tax Law of the People's Republic of China Soil Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes Water and Soil Conservation Law of the People's Republic of China <p>Hong Kong:</p> <ul style="list-style-type: none"> Waste Disposal Ordinance (Cap.354)
306-2	KPI A3.1	Management of significant waste-related impacts (Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.)	<ul style="list-style-type: none"> Clean – Healthy Communities and Buildings Community – Sustainable Lifestyles and Work Solutions 	–
306-3	KPI A1.3 KPI A1.4	Waste generated (Total hazardous and non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).)	<ul style="list-style-type: none"> Performance Data Summary – Environmental Performance GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index 	–
–	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	<ul style="list-style-type: none"> Clean – Resource Management and Circularity 	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
SASB Real Estate: Management of Tenant Sustainability Impacts				
IF-RE-410a.1	–	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	• Performance Data Summary – Environmental Performance	Our Deep Green Lease contains a cost recovery clause for resource efficiency-related capital improvements. For details about the lease, please refer to the section of Tenant Engagement and Collaboration.
IF-RE-410a.2	–	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	• Performance Summary – Environmental Performance	100% of our tenants are separately metered or submetered for grid electricity consumption and water withdrawals.
IF-RE-410a.3	–	Discussion of approach to measuring, incentivising, and improving sustainability impacts of tenants	• Clean – Healthy Communities and Buildings	–
SASB Real Estate: Climate Change Adaptation				
IF-RE-450a.1	–	Area of properties located in 100-year flood zones, by property subsector	• Clean – Climate Change Adaptation	–
IF-RE-450a.2	KPI A4.1	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	• Clean – Climate Change Adaptation	–
MATERIAL TOPICS – GRI 400 SERIES (SOCIAL TOPICS) and HKEX SOCIAL SUBJECT AREA				
GRI 401: Employment				
3-3 419-1	GD B1	Discussion of management approach and related policies	• Care • GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index	During the reporting period, we have complied with all applicable labour laws related to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, such as; Chinese Mainland: • Labour Law of the People's Republic of China • Labour Contract Law of the People's Republic of China • Employment Promotion Law of the People's Republic of China • Social Insurance Law of the People's Republic of China • Trade Union Law of the People's Republic of China • Labour Dispute Mediation and Arbitration Law of the People's Republic of China • Law of the People's Republic of China on the Protection of Women's Rights and Interests Hong Kong: • Employment Ordinance (Cap. 57)
401-1	KPI B1.2	New employee hires and employment turnover	• Performance Data Summary – Social Performance	–
401-2	–	Benefits provided to full-time employees that are not provided to temporary or part-time employee	• Care – Wellbeing, Health and Safety	–
401-3	–	Parental leave	• Care – Wellbeing, Health and Safety • Performance Data Summary – Social Performance	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 403: Occupational Health & Safety (2018)				
3-3 403-1 419-1	GD B2 KPI B2.3	Discussion of management approach and related policies (Description of occupational health and safety measures adopted, and how they are implemented and monitored.)	<ul style="list-style-type: none"> Care – Wellbeing, Health and Safety Performance Data Summary – Social Performance 	<p>During the reporting period, we have complied with all applicable laws related to occupational health and safety, such as;</p> <p>Chinese Mainland:</p> <ul style="list-style-type: none"> Law of the People’s Republic of China on Work Safety Law of the People’s Republic of China on Prevention and Control of Occupational Diseases <p>Hong Kong:</p> <ul style="list-style-type: none"> Occupational Safety and Health Ordinance (Cap. 509)
403-9 403-10	KPI B2.1	Work-related injuries and Work-related ill health (Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities)	<ul style="list-style-type: none"> Care – Wellbeing, Health and Safety Performance Data Summary – Social Performance 	–
–	KPI B2.2	Lost days due to work injury	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	–
403-8	–	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> Care – Wellbeing, Health and Safety 	–
GRI 404: Training and Education and HKEX Aspect B3 Development and Training				
3-3 404-2	GD B3	Discussion of management approach and related policies (Programs for upgrading employee skills and transition assistance programs)	<ul style="list-style-type: none"> Care – Talent Development 	–
–	KPI B3.1	The percentage of employees trained by gender and employee category	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	–
404-1	KPI B3.2	Average hours of training per year per employee	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	–
GRI 405: Diversity and Equal Opportunity				
3-3 419-1	GD B1	Discussion of management approach and related policies	<ul style="list-style-type: none"> Care – Diversity and Inclusion 	–
405-1	KPI B1.1	Diversity of governance bodies and employees (total number of employees by age group)	<ul style="list-style-type: none"> Care – Diversity and Inclusion Performance Data Summary – Social Performance 	–

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GRI Standards/ SASB Standards	HKEX ESG Guide	Disclosure	Reporting Location	Section cross reference, additional information or explanation
GRI 408: Child Labour and GRI 409: Forced or Compulsory Labour and HKEX Aspect B4: Labour Standards				
3-3 419-1	GD B4	Discussion of management approach and related policies	<ul style="list-style-type: none"> Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain 	<p>During the reporting period, we have complied with all applicable laws and regulations related to prevention of child and forced labour, such as</p> <ul style="list-style-type: none"> Labour Law of the People's Republic of China Law of the People's Republic of China on the Protection of Women's Rights and Interests Law of the People's Republic of China on the Protection of Minors Regulations on the Prohibition of Child Labour Notice on the Prohibition of Child Labour
408-1 409-1	KPI B4.1 KPI B4.2	Operations and suppliers at significant risk for incidents of child labour (Description of measures to review employment practices to avoid child and forced labour.)	<ul style="list-style-type: none"> Corporate Governance – Highest Standards of Integrity in our Business Operation and Supply Chain 	–
GRI 416: Customer Health and Safety and GRI 418: Customer Privacy and HKEX Aspect B6 Product Responsibility				
3-3 416-2	GD B6 KPI B6.5	Discussion of management approach and related policies (Incidents of non-compliance concerning the health and safety impacts of products and services)	<ul style="list-style-type: none"> Community – Sustainable Lifestyles and Work Solutions GRI Standards, HKEX ESG Guide, SASB and IFRS Content Index 	<p>During the reporting period, we have complied with all applicable laws and regulations related to product responsibility, such as;</p> <ul style="list-style-type: none"> Advertising Law of the People's Republic of China Provisions on the Release of Real Estate Advertisements Real Estate Sales Management Measures General Principles of the Civil Law of the People's Republic of China Public Security Administration Punishments Law of the People's Republic of China Law of the People's Republic of China on the Protection of Consumer Rights and Interests Trademark Law of the People's Republic of China Patent Law of the People's Republic of China
–	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	–	Not an applicable material topic. The Group mainly provides real estate development and operation services, not involving product recalls.
418-1	KPI B6.2	Substantiated complaints concerning breaches of customer privacy and losses of customer data (Number of products and service-related complaints received and how they are dealt with.)	<ul style="list-style-type: none"> Performance Data Summary – Social Performance 	–
–	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	–	Not an applicable material topic
–	KPI B6.4	Description of quality assurance process and recall procedures.	–	Not an applicable material topic

APPENDIX

This index provides mapping of our climate disclosures based on the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures.

Disclosure Description	Reporting Location
Governance	
(5) The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	
(6) To achieve this objective, an entity shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	
(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Climate-related Financial Disclosure – Governance
(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate related risks and opportunities;	Climate-related Financial Disclosure – Governance
(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Corporate Governance – Sustainability Governance and Transparency
(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Climate-related Financial Disclosure – Governance
(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	Climate-related Financial Disclosure – Governance
(b) management's role in the governance processes, controls and procedures used to monitor, manage, and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Climate-related Financial Disclosure – Governance
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Climate-related Financial Disclosure – Governance
Strategy	
(8) The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.	
(9) Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:	
(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	See the reference for paragraphs 10-12
(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain;	See the reference for paragraph 13
(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan;	See the reference for paragraph 14
(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning; and	See the reference for paragraphs 15-21
(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities.	See the reference for paragraph 22
Climate-related risks and opportunities	
(10) An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(d) explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Climate-related Financial Disclosure – Strategy
(11) In identifying the climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects, the entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions.	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy

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Disclosure Description	Reporting Location
Business model and value chain	
(13) An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	
(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	Climate-related Financial Disclosure – Risk Management
(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate-related Financial Disclosure – Risk Management
Strategy and decision-making	
(14) An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	
(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	
(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(ii) current and anticipated direct mitigation and adaptation efforts	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(iii) current and anticipated indirect mitigation and adaptation efforts	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	Climate-related Financial Disclosure – Strategy
(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	Climate-related Financial Disclosure – Strategy Climate-related Financial Disclosure – Metrics and Targets
(b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	See the reference for paragraph 14(a)
(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	2024 - At a Glance - Clean
Financial position, financial performance and cash flows	
(15) An entity shall disclose information that enables users of general purpose financial reports to understand:	
(a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	See the reference for paragraph 16
(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	See the reference for paragraph 16
(16) Specifically, an entity shall disclose quantitative and qualitative information about:	
(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
(i) its investment and disposal plans, including plans the entity is not contractually committed to; and	Climate-related Financial Disclosure – Strategy
(ii) its planned sources of funding to implement its strategy; and	Corporate Governance – Incorporating Sustainability-related Risks into Enterprise Risk Management
(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(18) In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an entity shall:	
(a) use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort; and	Climate-related Financial Disclosure – Risk Management
(b) use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures	Climate-related Financial Disclosure – Governance Climate-related Financial Disclosure – Risk Management

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Disclosure Description	Reporting Location
Climate resilience	
<p>(22) An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:</p> <p>(a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:</p> <p style="padding-left: 20px;">(i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;</p> <p style="padding-left: 20px;">(ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience;</p> <p style="padding-left: 20px;">(iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:</p> <p style="padding-left: 40px;">(1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;</p> <p style="padding-left: 40px;">(2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and</p> <p style="padding-left: 40px;">(3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p style="padding-left: 20px;">(i) information about the inputs the entity used, including:</p> <p style="padding-left: 40px;">(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios;</p> <p style="padding-left: 40px;">(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p style="padding-left: 40px;">(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p style="padding-left: 40px;">(4) whether the entity used, among its scenarios, a climate related scenario aligned with the latest international agreement on climate change;</p> <p style="padding-left: 40px;">(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p style="padding-left: 40px;">(6) the time horizons the entity used in the analysis; and</p> <p style="padding-left: 40px;">(7) what scope of operations the entity used in the analysis</p> <p style="padding-left: 20px;">(ii) the key assumptions the entity made in the analysis, including assumptions about:</p> <p style="padding-left: 40px;">(1) climate-related policies in the jurisdictions in which the entity operates;</p> <p style="padding-left: 40px;">(2) macroeconomic trends;</p> <p style="padding-left: 40px;">(3) national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);</p> <p style="padding-left: 40px;">(4) energy usage and mix; and</p> <p style="padding-left: 40px;">(5) developments in technology; and</p> <p style="padding-left: 20px;">(iii) the reporting period in which the climate-related scenario analysis was carried out.</p> <p>(23) In preparing disclosures to meet the requirements in paragraphs 13–22, an entity shall refer to and consider the applicability of cross-industry metric categories and industry-based metrics associated with disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2.</p>	<p>Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure – Strategy</p> <p>Clean – Decarbonisation</p> <p>Clean – Healthy Communities and Buildings</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>See the reference for paragraphs 29 and 32</p>
Risk management	
<p>(24) The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.</p> <p>(25) To achieve this objective, an entity shall disclose information about:</p> <p>(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <p style="padding-left: 20px;">(i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p style="padding-left: 20px;">(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p style="padding-left: 20px;">(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);</p> <p style="padding-left: 20px;">(iv) whether and how the entity prioritises climate-related risks relative to other types of risk;</p> <p style="padding-left: 20px;">(v) how the entity monitors climate-related risks; and</p> <p style="padding-left: 20px;">(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;</p>	<p>Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure – Risk Management</p> <p>Corporate Governance – Emergency Preparation and Risk Mitigation Climate-related Financial Disclosure – Risk Management</p> <p>Climate-related Financial Disclosure</p>

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Disclosure Description	Reporting Location
(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	Climate-related Financial Disclosure – Risk Management Climate-related Financial Disclosure – Strategy
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Corporate Governance – Incorporating Sustainability-related Risks into Enterprise Risk Management Climate-related Financial Disclosure – Strategy
Metrics and targets	
(27) The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	
(28) To achieve this objective, an entity shall disclose:	
(a) information relevant to the cross-industry metric categories;	See the reference for paragraphs 29-31
(b) industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry; and	See the reference for paragraphs 32
(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	See the reference for paragraphs 33-37
Climate-related metrics	
(29) An entity shall disclose information relevant to the cross-industry metric categories of:	
(a) greenhouse gases—the entity shall:	
(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as:	Climate-related Financial Disclosure – Metrics and Targets Performance Data Summary – Environmental Performance Carbon Emissions – Scope 3 Emissions Inventory and Methodology
(1) Scope 1 greenhouse gas emissions;	
(2) Scope 2 greenhouse gas emissions; and	
(3) Scope 3 greenhouse gas emissions;	
(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions;	Performance Data Summary – Environmental Performance Carbon Emissions – Scope 3 Emissions Inventory and Methodology
(iii) disclose the approach it uses to measure its greenhouse gas emissions including:	
(1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions;	Performance Data Summary – Environmental Performance Carbon Emissions – Scope 3 Emissions Inventory and Methodology
(2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
(3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
(vi) disclose the approach it uses to measure its greenhouse gas emissions including:	
(1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and	Carbon Emissions – Scope 3 Emissions Inventory and Methodology
(b) climate-related transition risks – the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	Climate-related Financial Disclosure – Risk Management
(c) climate-related physical risks – the amount and percentage of assets or business activities vulnerable to climate-related physical risks	Climate-related Financial Disclosure – Risk Management
(g) remuneration—the entity shall disclose:	
(i) a description of whether and how climate-related considerations are factored into executive remuneration; and	Corporate Governance – Sustainability Governance and Transparency Climate-related Financial Disclosure – Governance
(32) An entity shall disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the entity discloses, the entity shall refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the Industry-based Guidance on Implementing IFRS 52.	GRI Standards, HKEX ESG, SASB and IFRS Content Index

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Disclosure Description	Reporting Location
Climate-related targets	
(33) An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose: <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target; (c) the part of the entity to which the target applies; (d) the period over which the target applies; (e) the base period from which progress is measured; (f) if the target is quantitative, whether it is an absolute target or an intensity target; and (g) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 	Climate-related Financial Disclosure – Metrics and Targets
(34) An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the entity's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	Clean – Decarbonisation Climate-related Financial Disclosure – Metrics and Targets
(35) An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Climate-related Financial Disclosure – Metrics and Targets Performance Data Summary – Environmental Performance
(36) For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose: <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target. (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target. (c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target. (d) whether the target was derived using a sectoral decarbonisation approach. (e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. The entity shall disclose information including: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use. 	Clean – Decarbonisation Climate-related Financial Disclosure – Metrics and Targets Clean – Decarbonisation Climate-related Financial Disclosure – Metrics and Targets Clean – Decarbonisation Climate-related Financial Disclosure – Metrics and Targets
(37) In identifying and disclosing the metrics used to set and monitor progress towards reaching a target described in paragraphs 33–34, an entity shall refer to and consider the applicability of cross-industry metrics and industry-based metrics, including those described in an applicable IFRS Sustainability Disclosure Standard, or metrics that otherwise satisfy the requirements in IFRS S1.	See the reference for paragraph 29 and 32

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Verification Statement

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned by Shui On Land Limited (“SOL”) to conduct an independent verification for its Sustainability Disclosures (the “selected disclosures”) stated in its Sustainability Report 2024 (“the Report”). The selected disclosures covered the period from 1 Jan 2024 to 31 Dec 2024 and represented the sustainability performance of SOL.

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025)

The verification team also reviews the disclosures in the Report by making reference to the following

- disclosure frameworks, as the Report has been prepared with references to:
- the Global Reporting Initiative’s Sustainability Reporting Standards (“GRI Standards”)
- Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (October 2021) released by Task Force on Climate-related Financial Disclosures
- Sustainability Accounting Standards Board for Real Estate Sector Disclosure (“SASB”)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

Level of Assurance and Methodology

HKQAA’s verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

SOL is responsible for the organization’s information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by SOL for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between SOL and HKQAA.

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Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and SOL that would affect the impartiality of the verification.

Limitations and Exclusions

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- i. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. This Sustainability Information may be subject to inherent uncertainty.
- ii. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- iii. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- iv. Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a reasonable level of assurance, the Report has been prepared, in all material respects, in accordance with the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

In addition, the verification team reviewed the Report with reference to the GRI Standards, IFRS S1, IFRS S2 Climate-related Disclosures, SASB Standards, the Recommendations of the Task Force on Climate-related Financial Disclosures and considered that the Report has been prepared by making reference to the contents or parts of the contents of the aforementioned disclosure frameworks

Signed on behalf of Hong Kong Quality Assurance Agency

A handwritten signature in black ink, appearing to read 'KT Ting', is positioned above the printed name and title.

KT Ting
Chief Operating Officer
April 2025
Ref: 14953148 - 0TH