China Resources Land Limited

Sustainable Finance Framework

November 2025

1. Business overview

CR Land Limited (“CR Land” or “the Company”) is a strategic business unit responsible for city construction and operation under China Resources Group, a Chinese state-owned (SOE) conglomerate of which businesses are mainly based in Hong Kong and Mainland China. CR Land has been listed on the Main Board of the Hong Kong Stock Exchange Limited since 1996 (Stock code: 1109) and become a constituent stock of the Hang Seng index since 2010.

During the 14th Five-Year Plan period, CR Land adheres to its strategic position as an urban investor, developer and operator, and has established the “3+1” integrated business model that synergizes development property business, investment property and asset management business, asset light management business, and eco-system elementary business. Its businesses include residential development, apartment, shopping mall, office, hotel, commercial operation, property management, leasing apartment, urban construction services, culture and sports, urban redevelopment, urban operations, etc. The company aspires to create an ecosystem for urban investment, development and operation.

By the end of 2024, with about 65,000 employees, CR Land had total assets of approximately RMB 1,128 billion and land reserve of over 50 million square meters (“sqm”). It had also accumulated business exposure in 86 cities g(including 84 cities in mainland China, Hong Kong and London) with over 500 projects. In the future, CR Land will further take the diversified business advantages of China Resources Group, seize the major opportunities of new urbanization, implementation of China's coordinated regional development strategy, comprehensive deepening of SOE reform, consumption upgrade, technological innovation, etc., to achieve high-quality development through the combination of industrial layout and competitive strategy. We will take the industrial responsibilities and social responsibilities conferred to us in the new era, grow and create together with stakeholders, and make greater contributions to the urban development and a better life with high quality.

2. Sustainability Strategy and Vision

CR Land has set out and is committed to fulfil its mission of “Better Quality Better City” through integrating ESG responsibility into its corporate development strategy and daily operation. It is determined to achieve its sustainability goals with values of “Integrity, performance-orientation, people-orientation, and win-win collaboration”.

Company also committed to achieve a low peak by 2030 and carbon neutrality by 2060. Specifically, the Scope 1 and Scope 2 carbon emission intensity of operational real estate projects to decrease by 45% (based on 2018 as the base year), 10 pt increase from the original target of 35%. In line with these new goals, a more targeted “Three Dimensions + Nine Actions” dual-carbon action matrix has been established. Company targeted to achieve mid-term goals by 2030.

- the Scope 1 and Scope 2 carbon emission intensity of operational real estate projects to decrease by 45% (based on 2018 as the base year).
- Cumulative reduction of downstream (tenant) carbon emissions (Scope 3) in operational real estate projects to be no less than 720,000 tons.
- Achieve 100% zero-carbon electricity operation in all owned luxury shopping malls.
- Ensure 100% of newly constructed wholly-owned operational real estate projects obtain high-level green building certification.
- Complete the construction of 3 carbon-neutral demonstration buildings.

To help implement its sustainability strategies in a systematic and efficient manner, CR Land has a sound and effective sustainability governance structure in place. It is a top-down approach where a competitive and diversified Sustainability Committee is established at the board level to administer ESG matters, which include but not limited to defining the sustainability directions and objectives of the Company, formulating ESG strategies and guiding the overall operations. An ESG working group is also set up to provide executional support to the Committee.

CR Land understands that to create a sustainability strategy that is meaningful and relevant to itself and its stakeholders, it is essential to integrate 1) CR Land's business needs and 2) CR Land's stakeholders' opinions. Therefore, CR Land engages its stakeholders (e.g., government, regulatory authorities, shareholders, property owners, etc.) regularly to co-create its sustainability strategy. It conducts materiality analysis and identifies the ESG topics that are at most importance to both CR Land and its stakeholders. Examples of topics that are at high materiality include employees' safety and health, corporate compliance operation, use of construction materials, pollutant emissions, etc.

To further increase its strategy's relevance with the global community, CR Land further maps the topics identified with the United Nations Sustainable Development Goals (UN SDGs), a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by 2030.

Considering the global ESG trends and challenges, the international standards for responsible business conduct and the expectations of stakeholders, CR Land has developed a sustainable development strategy by improving our corporate governance, ESG management and responsible brand image. CR Land has followed up the sustainable development plan covering phased objectives, and fully integrated ESG concepts into our operation practices in a transparent manner. CR Land believes that our sustainable development strategy, which covers the entire value chain and conforms to UN SDGs, will further support our business growth, bring sustainable long-term value to stakeholders including shareholders, customers, employees, partners, communities and the environment, and finally realize the ESG strategic vision of "The industry leading urban investor, developer and operator".

Under the Company's latest strategic roadmap, the sustainable goals of CR Land will aim at achieving resilience in 6 fields:

- Economic responsibility
- Ecosystem responsibility
- Employee responsibility
- Partner responsibility
- Community responsibility
- Customer responsibility

Economic responsibility

CR Land is committed to maintaining a good level of corporate governance to ensure stable and healthy development and to create sustainable economic benefits. On this basis, it shares development achievements with stakeholders, assumes social responsibilities, and promotes the harmonious and sustainable development of economy, environment and society.

By formulating risk management policies and establishing a top-down risk management structure, CR Land regularly reviews and monitors the effectiveness of the risk management and internal control system, and prepares annual internal control system report as required by CR group every year to continuously strengthen risk management. CR land attaches great importance to ESG risks, and integrates relevant ESG risk factors into the risk management system, including corporate operation, corruption and instability, occupational health and safety, climate change, etc.

Ecosystem responsibility

CR Land strives to reduce the environmental impact of its business operations. It is also committed to building a resilient ecosystem which supports China's decarbonization goal of "achieving carbon peak by 2030, and carbon neutrality by 2060".

Apart from the strict observance of the Environmental Protection Law of the People's Republic of China, CR Land has also formulated its own guidelines such as the Management Regulations on Energy Saving and Emission Reduction, Management Guidelines on Dust and Noise Pollution of Development Projects, etc. CR Land integrates these green development philosophies and regulations into its corporate operations. This eventually allows CR Land to:

- Continuously improve its environmental protection system
- Develop green buildings
- Promote the application of prefabricated buildings in construction projects, and
- Actively participate in discussions on global climate change, biodiversity conservation, and other cutting-edge topics.

CR Land has been actively exploring and deploying latest technologies and designs to achieve environmental goals such as biodiversity conservation, resources management, etc. CR Land's effort in building a resilient ecosystem is best manifested by the fact that in 2024, 7 new projects (covering a total construction area of about 1.45 million sqm) obtained green building certifications. In 2024, CR Land had 11 new ultra-low energy and low-carbon building certification projects (including agent construction projects)

Employee responsibility

CR Land is committed to creating a fair, diverse, safe, and healthy working environment for all employees. It:

- Fully respects and protects each employee's basic rights and interests,
- Trains and supports talents
- Pays attention to employees' development and growth, and
- Creates a platform for employees to showcase their talents.

CR Land has been taking multiple initiatives simultaneously to achieve its objectives. Firstly, CR Land has sound and effective compliance systems and policies in place to advocate the diverse and inclusive development of talents. These systems and policies also help CR Land ensure equal opportunity and non-discrimination for employees. At the same time, CR Land is dedicated in promoting employees' safety and health. Apart from employing work safety management system and EHS training system to empower the Company's capability on occupational health and safety, CR Land has also been supporting employees' physical and mental health by aiding employees in need and advocating work-life balance. It also regularly organizes series of health management activities like break workout, running games,, "Teamwork Cup" basketball games, employee birthday parties, etc.

CR Land’s hard work paid off in 2024. In the year, CR Land’s female employees accounted for 38.45% of total employment and women in senior personnel positions accounted for 30.40%. In 2024, the engagement score of our mployees was 86.2, and the satisfaction score was 83.4.The benchmark norm is the 70th percentile in the real estate industry. In comparison,our engagement score was 4.1 points higher, and the satisfaction score was 4.0 points igher,falling in the score range of China’s outstanding organizations.

Partner responsibility

CR Land devotes to building a virtuous circle of partnership for co-existence, win-win outcomes and shared growth with partners in various fields in a sustainable manner. The Company also strives to develop a green, healthy, and transparent cooperation platform, and create a compliant, streamlined, and sustainable environment for cooperation.

For this reason, CR Land works closely with suppliers, contractors, industry associations, scientific research institutions and other partners to promote a green supply chain, and realize mutual benefit and quality innovation. The Green Supply Chain Action Plan created a low-carbon and lean supply chain platform covering 31 operational categories. For example, CR Land has established a systematic supplier management system with standardized procurement, compliance requirements, and reward and punishment system in place. Furthermore, CR Land maintains good communications and relationship on a long-term basis and actively guides suppliers and contractors to improve product quality, social responsibility awareness, and management standards. These efforts helped all 34,767suppliers of CR Land pass the quality, environment and occupational health and safety management system certifications in 2024. A green, responsible, and clean supplier chain is therefore developed, and the corresponding sustainable value is therefore improved.

Community responsibility

In terms of community services, CR Land is committed to fulfilling the purpose of “serving society and sowing the seeds of civility”. It advocates the spirit of “engagement, mutual assistance, dedication and progress.” Therefore, CR Land has been engaging in charity cause, such as rural vitalization, charitable donation, community services, to promote positive interaction between the Company and the society.

In 2024, CR Land initiated numerous community public services and donated RMB 31.66million to charity. In 2024 under CR Land’s effort, more than 16,000 participants involved in the volunteering activities to provide support to farmers, students, and elderlies. Other than that, to alleviate poverty and vitalize rural areas, CR Land has participated in the construction and delivery of 1 CR Hope Towns cumulatively on a non-profit basis, and there are other 6 Hope Towns and 4 Hope Villages under planning and construction.

In the future, CR Land will further respond to government requirements and customer needs, broaden its cooperation network with on-profit organizations and further its efforts in community development and charity, promoting the common development of community economy and society.

<u>Customer responsibility</u>

CR Land is dedicated to becoming a benchmark for central State-Owned Enterprises with “Quality Products and Service”. CR Land deems the following elements essential to achieve the goal:

- Advocates a 4-word philosophy of “Quality, Health, Smartness and Service”,
- Pursues excellent quality through ingenuity, and
- Builds an ideal future for cities and a sustainable quality life for customers.

In recent years, CR Land has been actively participating in the development of government-subsidized housing and social facilities/ infrastructures such as rental apartments, senior housing, education facilities, and cultural and sports venues, etc. To enhance the quality and deliver the projects in a more sustainable manner, CR Land generously applies its various capabilities such as quality control methods and innovative products it developed. In 2024, we delivered over 154 batches of projects. Approximately 90% of the projects were delivered ahead of schedule.The customer satisfaction rate of CR Land reached 91.55%, hitting a record high and ranking among the top three in the industry.

3. Sustainable Finance Framework

This bespoke Sustainable Finance Framework (“Framework”) has been developed to demonstrate how CR Land or the Company's subsidiaries could fund projects that deliver positive environmental and social impact and foster sustainable practices with Sustainable Finance Transactions (“SFT”).

SFTs include bonds or loans tailored to contribute to sustainable development by application of the proceeds to Eligible Projects as defined in this Framework.

- With respect to bonds, bonds issued under this Framework will be in alignment with the International Capital Markets Association (“ICMA”) Green Bond Principles (Jun 2025), Social Bond Principles (Jun 2025), Sustainability Bond Guidelines (2021) or as they may be subsequently amended, respectively according to the final bond type.

- With respect to loans, loans issued under this Framework will be in alignment with Green Loan Principles (Mar 2025), Social Loan Principles (Mar 2025) issued by the Loan Market Association ("LMA"), Asia Pacific Loan Market Association ("APLMA") and the Loan Syndications and Trading Association ("LSTA") or as they may be subsequently amended, respectively according to the final loan type.

Each SFT will adopt the key components relevant sustainable finance principles as set out in this Framework.

1. Use of Proceeds
2. Project Evaluation and Selection
3. Management of Proceeds and
4. Reporting,

SFTs do not place restriction on the tenor and currency; and can include other terms and conditions including covenants, to reflect the financing strategy and plans of CR Land as well as the outcome of the commercial discussions between the Issuer/Borrower and Manager/Arranger/Lender.

SFTs may be done in any jurisdiction and market reflecting CR Land's current and future business needs.

3.1 Use of Proceeds

An amount equivalent to the net proceeds from SFT(s) will be exclusively allocated to finance and/or refinance, in whole or in part, new or existing Eligible Projects. The look-back period for refinancing operating expenditure will be limited to 3 years on or prior to the date of the issuance or signing date of the SFT(s). Categories of eligibility are set below:

Green Categories	Eligibility Criteria	Contribution to SDGs
Green Buildings	Investment, construction, and refurbishment of new or existing green buildings which have received or expected to receive the following recognized certifications: • China Green Building Evaluation Label: 2 Star or above; or • BEAM Plus: Gold or above; or • LEED: Gold or above; or • BREEAM: Excellent or above.	

Green Categories	Eligibility Criteria	Contribution to SDGs
Pollution Prevention and Control	Investments and expenditure for developing and operating infrastructure and equipment for air pollutant emissions reduction, waste classification, recycling and treatment, air and noise pollution control, and segregation of recyclables prior to energy conversion.	
Energy Efficiency	Investments and expenditure on construction and operation of projects that will achieve at least a 20% improvement in energy efficiency against historic average. According to the features of the project, the following new technologies conducive to improving energy efficiency are reasonably selected and applied: Efficient chilled-water plant system, intelligent lighting system, intelligent machine control system, and energy management system; energy-saving elevator, variable-frequency motor, heat recovery system, etc.	
Renewable Energy	Investments and expenditure on construction and operation of renewable energy projects to address the energy crisis, including solar photovoltaic, solar thermal energy, air source heat pump, ground source heat pump, water source heat pump, energy storage system for renewable energy, etc. Projects that retrofit, replace or upgrade existing facilities, system and equipment to bolster the capacity for producing renewable energy. Renewable energy investments, including but not limited to Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs).	
Biodiversity	Investments and expenditure for developing and operating terrestrial and aquatic biodiversity conservation projects, including but not limited to the protection of coastal, marine and watershed environments.	

Green Categories	Eligibility Criteria	Contribution to SDGs
Sustainable Water and Wastewater Management	Investments in projects concerning the construction and operation of infrastructure and equipment dedicated for high efficiency water fixtures for new and existing projects to to tackle water scarcity through reducing fresh water consumption as well as the collection, treatment, recycling or reuse of wastewater.	
Clean Transportation	Construction and maintenance of infrastructure for electric vehicles, e.g., electric vehicle (EV) charging stations. Construction of urban walking and cycling transportation systems (such as public bicycle rental sites, non-motorised vehicle parking facilities, road crossing facilities).	

Social Categories	Eligibility Criteria	Contribution to SDGs
Affordable, Social or Supported Housing	Investment, construction, and refurbishment of new or existing affordable housing projects defined by local governments to uphold the right to adequate housing, thereby safeguarding fundamental human rights. Target population: eligible households or individuals in accordance with local government and regulatory definitions.	
Socioeconomic Advancement and Empowerment	Projects or programmes that provide elderly care services and facilitate intergenerational harmony in the community. Pilot or implementation of innovative facilities, design features or equipment that provide assistance and convenience for the elderly and enhance the physical, mental, and social well-being to ensure their equitable access to services, resources, and opportunities, and their participation and integration into the market and society. Support research and investment to catalyse the development of the such innovative facilities, design features or equipment. Projects or programmes that can create greater community engagement, connection and	

Social Categories	Eligibility Criteria	Contribution to SDGs
	collaboration and enhance quality of life and well-being benefitting the general public, such as community cultural and sports, education, medical and health care facilities. Projects or programmes that support socio-economic advancement, employment and social inclusion benefitting SMEs, youth, women, students and people living below the poverty line defined by local government and/or people with disabilities, including but not limited to: (1) Start-up accelerators/incubators to support entrepreneurship; (2) Social mobility programmes; (3) Vocational training; (4) In-kind support; (5) Youth education programmes; and (6) Youth/Student hostels, etc Target population: Aging population and/or vulnerable youths, unemployed, people living below the poverty line, people with disabilities.	
Culture and Heritage	Preservation of buildings (in part or in whole), which are of historical or cultural significance.	

Exclusion: in any case, Eligible Projects exclude the types of activities listed in the International Finance Corporation Exclusion List (2007)[1]:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions.
- Production or trade in alcoholic beverages (excluding beer and wine).
- Production or trade in tobacco.
- Gambling, casinos and equivalent enterprises.

[1] https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Production or trade in fossil fuel.
- Construction and operation of fossil fuel, nuclear and coal-fired power plants, and coal mines

3.2 Project Evaluation and Selection

CR Land conducts environmental and social risks assessment on projects under governments' requirements. Internally, to strengthen the environmental and social risks management of projects, CR Land has also formulated comprehensive design management requirements. For example, environmental risks such as noise and oil fume emissions are included in the design report, and the design department is required to submit a detailed report on the risks and solutions of the project. After this project design assessment, headquarters, business segments and project teams will further implement relevant solutions into design documents and project bidding requirements.

As a decision maker, CR Land Sustainability Committee is chaired by the Chairman of the Board of Directors. The Committee members are designated and appointed among the Board members.

Led by the Committee, the ESG Working Group is responsible for executing relevant policies and objectives regarding economic, ecological, employee, partner, community and customer responsibilities, and has established a social responsibility governance mechanism with clear responsibilities.

According to different functions, all departments, divisions and regions of the headquarters carry out ESG work within their business scope, actively promote ESG practices, and ensure the fulfillment of social responsibility. Based on the specific functions and responsibilities, different leading persons are clarified in the ESG Working Group, who will lead the organization and formulation of annual ESG work plan, and follow up the implementation and summary of the plan. Each working group regularly reports to the Sustainability Committee on the formulation, implementation progress and achievements of the annual social responsibility work plan every year.

Under the management of ESG working group, a cross-departmental Sustainable Finance Working Group ("SFWG") has been established to evaluate and select Eligible Projects in accordance with the eligibility criteria listed in Section 3.1. The SFWG consists of senior representatives from the following departments:

- Finance Department
- Public Affairs Department
- Product Management Department
- Complex Design and Management Department
- Engineering and Cost Management Department
- Asset Management Department
- Safety Management Department
- China Resources Mixc Lifestyle Services Limited

The above departments will meet at least every 12 months to review the eligibility of the projects funded by the proceeds from SFT(s). Should a project be considered no longer meeting the criteria detailed in the Framework, corresponding proceeds from SFT(s) will be reallocated to Eligible Projects. Such monitoring will be done throughout the life of each SFT.

3.3 Management of Proceeds

SFWG will manage the proceeds. A register is maintained to keep track of the use of proceeds. The register will contain the following information:

(i) Type of Funding Transaction: key information including issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortization profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number).

(ii) Allocation of Use of Proceeds:

- Name and description of Eligible Projects to which the proceeds of the SFT have been allocated in accordance with this Framework
- Amount of SFT proceeds allocated to each Eligible Project
- The remaining balance of unallocated proceeds yet to be allocated
- Other relevant information such as information of temporary investment for unallocated proceeds

Any balance of issuance proceeds which are not yet earmarked to Eligible Projects will be held as assets with high liquidity and safety such as cash, cash equivalent instruments, or short-term financial assets. CR Land commits not to invest any unallocated proceeds to projects in the Exclusion criteria set in the Use of Proceeds section.

3.4 Reporting

CR Land will provide information on the allocation of the net proceeds of its SFTs to bond investors/loan lenders on an annual basis and in its annual Sustainability Report available on the CR Land's dedicated sustainability website which is updated regularly for the most current developments (https://en.crland.com.hk/societyResponse/index.html/) until the maturity date of SFT and as necessary thereafter in the event of material developments. The information will contain at least the following details:

3.4.1 Allocation Reporting

- The aggregate amount allocated to various Eligible Projects
- Proportion between financing and refinancing Eligible Projects
- Brief description of projects (subject to confidentiality, at least project category will be disclosed)
- The remaining balance of funds which have not yet been allocated and type of temporary investments

3.4.2 Impact Reporting

Where possible and applicable, the Company will report on the environmental and social impacts/benefits (where relevant) resulting from Eligible Projects, having collected relevant data or conducted risk analysis to validate the effectiveness of implemented projects, assessed its responsible investment standing to identify improvement opportunities, and reviewed current projects to pinpoint areas for enhancement. Subject to the nature of the Eligible Projects and the availability and readiness of information, the Company will consider the following impact indicators:

Categories	Examples of Impact Indicators
Green Buildings	• The type of scheme, certification level and total floor area of certified green building in m^2 • Building energy saving rates • Utilization rate of non-traditional water sources • Utilization rate of reusable and recyclable materials • Annual GHG emissions reduced/avoided in tons of CO2 equiv. vs local baseline certification level
Pollution Prevention and Treatment	• Waste that is prevented or minimized before and after the project in % of total waste and/or in absolute amount in tonnes p.a. • GHG emissions from waste management before and after the project in tonnes of CO_2 equiv. p.a.
Energy Efficiency	• Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) • Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent • Utilization rate of renewable energy in % of total electricity consumption

Categories	Examples of Impact Indicators
Renewable Energy	• Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Biodiversity	• Maintenance/safeguarding/increase of protected area in km^2 and in % for increase
Sustainable Water and Wastewater Management	• Annual water savings from water re-use and/or water use avoided by waterless solutions and equipment • Annual absolute (gross) amount of wastewater treated, recycled or reused before and after the project in m^3
Clean Transportation	• Number of electric vehicles charging stations installed
Affordable, Social or Supported Housing	• Number of housing units constructed • Number of individuals / households of the target population benefited
Socioeconomic Advancement and Empowerment	• Description of age-friendly residential properties • Number of elderly homes units / health facilities provided • Number of occupants served • Number and type of health care facilities applied • Description and schematic design of solutions or technologies supported • Description and roadmap of the project (including information on objectives and target population) • Projected social impact (verified by a third-party whenever possible) • Number of beneficiaries in the targeted population • Number of Barrier-Free Access (BFA) facilities provided • Description of number and types of skilling and training commencements and completions • Number of employment opportunities newly created / sustained • Number of small and medium enterprises (SMEs) / social enterprises / start-ups supported • Number of beneficiaries in the targeted population
Culture and Heritage	• Certification documentation (if applicable) • Description of type and number of buildings conserved/restored • Square meters of areas that are preserved • Number of beneficiaries in the targeted population who take part in cultural, historical or heritage-related programmes

Should there be any co-investment of projects, CR Land will only claim and report the impacts proportionate to its investment amount financed by the SFTs.

CR Land will provide sustainable loan reporting to the lenders, in case of loan, and to investors, in case of bond, consisting of the aforementioned components.

4. External Review

Pre-issuance of the Framework, CR Land will engage Sustainable Fitch to provide external review to assess the Framework's alignment with relevant ICMA and LMA principles and guidelines.

Post-issuance of the Framework, CR Land will, if required, engage an independent qualified third party to verify the allocation of net proceeds from SFTs to Eligible Projects.