



GUOCOLAND LIMITED GREEN FINANCE FRAMEWORK

GuocoLand Limited

Green Finance Framework

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1. Introduction

1.1 About GuocoLand

GuocoLand Limited (“GuocoLand”) is a public company listed on the Singapore Exchange Securities Trading Limited since 1978. Headquartered in Singapore, the principal business activities of GuocoLand and its subsidiaries (“the Group”) are property development, property investment, property management and hotel operations.

The Group is known for its transformative mixed-use developments in major Asian cities, such as Guoco Tower and Guoco Midtown in Singapore, Damansara City in Kuala Lumpur, Malaysia and Guoco Changfeng City in Shanghai, China.

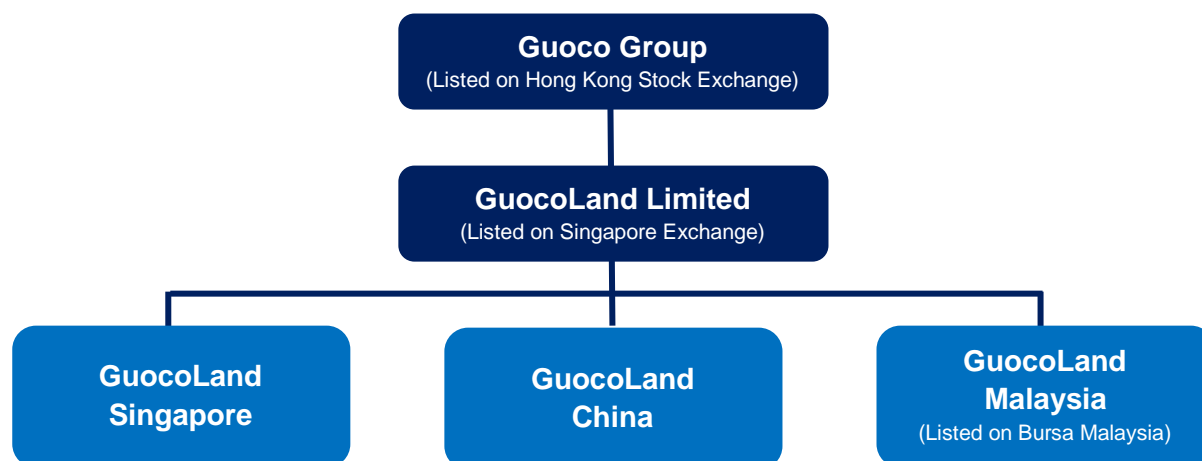
As a premier real estate group, GuocoLand is focused on achieving scalability, sustainability and growth in its core markets through its property development, investment and management businesses.

In recognition of its portfolio of quality, innovative developments and commitment to business excellence, the Group has been honoured with numerous awards and accolades both in Singapore and internationally.

The parent company of GuocoLand is Guoco Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. As at 31 December 2022, the Group has total assets of \$12.0 billion and total equity attributable to ordinary equity holders of \$4.2 billion.

1.2 Corporate Structure

GuocoLand operates across the different markets through its subsidiaries¹.



¹ Please refer to the Annual Report for the significant subsidiaries, associates and joint ventures included in our consolidated financial statements.

1.3 Sustainability Strategy and Governance

1.3.1 Sustainability Vision, Mission and Commitments

GuocoLand is built on a strong heritage of value creation for our stakeholders and the communities we operate in. Over the years, we have taken a progressive approach in integrating sustainability into our businesses, to build a stronger, more resilient group.

We are committed to growing our businesses responsibly, balancing environmental factors with economic considerations, as well as creating a positive impact for our stakeholders and contributing to our communities. Our core values are highlighted in Figure 1.



Figure 1: GuocoLand's Core Values

Since FY2019, GuocoLand has adhered to an environmental, social and governance (“ESG”) reporting framework which provides a roadmap for employees to work towards the mission of the “Guoco Sustainability Value Creation” via four pillars (as seen in Figure 2).

1. Towards a Greener Future
2. Empowering our People
3. Conducting Business with Honour
4. Caring for our Community

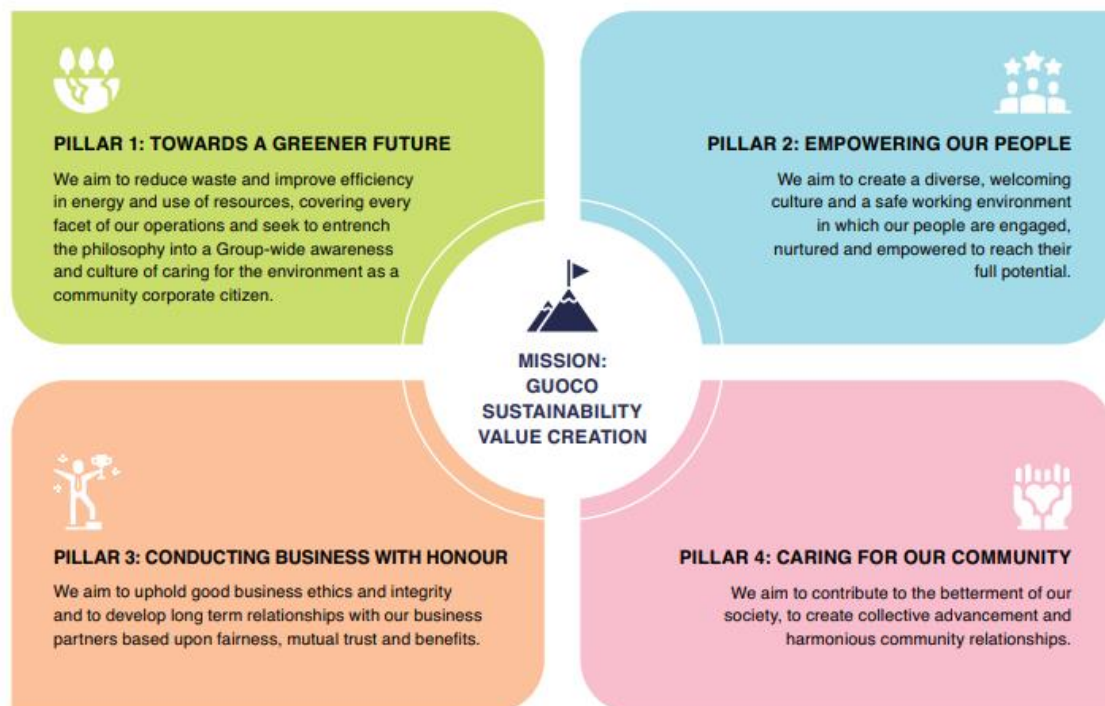


Figure 2: Environmental, Social and Governance Reporting Framework

GuocoLand is guided by the GRI’s Materiality principles to determine material sustainability factors that have a significant impact on the Group and/or substantively influence the assessments and decisions of key stakeholders. These material sustainability factors are described in Figure 3.




MATERIAL TOPIC	GRI STANDARD REPORTED	IMPACT BOUNDARY
 Energy Consumption	Energy (GRI 302) Water (GRI 303) Emissions (GRI 305)	Development projects and managed properties
 Environmental	Waste (GRI 306) Environmental Compliance (GRI 307)	Development projects and managed properties
 Human Capital Development & Relations	Employment (GRI 401) Training and Education (GRI 404)	Employees
 Occupational Health & Safety	Occupational Health and Safety (GRI 403)	Employees Workers Tenants Visitors
 Business Ethics & Anti-corruption	Anti-corruption (GRI 205) Customer Privacy (GRI 418)	All business operations
 Product Quality, Health & Safety	Customer Health and Safety (GRI 416) Marketing and Labeling (GRI 417)	Development projects and managed properties

Figure 3: GuocoLand’s material sustainability factors

GuocoLand seeks to reduce the environmental impact of its operations and increase environmental awareness amongst our customers, employees and suppliers.

When sourcing for development sites, we take into consideration the opportunities and risks arising from climate change. Opportunities include an increased demand for sustainable buildings from end-users. To better manage physical and transition risks related to policy changes and technology, we work with consultants with the relevant expertise to align ourselves with government-led initiatives such as the Singapore Green Plan 2030, consider synergies and opportunities arising from China’s Action Plan for Reaching Carbon Dioxide Peak Before 2030, and engage in ongoing dialogue with the relevant authorities.

Among other commitments, GuocoLand has pledged our support to the Singapore Green Building Council’s Singapore Built Environment Embodied Carbon Pledge to reduce embodied carbon emissions. We will also work with our supply chain stakeholders to ensure that we minimise our embodied carbon emissions.

1.3.2 Strategic Sustainability Governance Structure

At GuocoLand, the Board of Directors (“Board”) recognises the importance of conducting business in a sustainable manner and considers sustainability issues in the formulation of the Group’s business strategies.

The Board oversees the Sustainability Committee and maintains an oversight of how material ESG factors are identified based on their significance to the Group’s business and key stakeholders, as well as how the related risks and opportunities are managed.

The Board carefully considers sustainability issues when reviewing and guiding GuocoLand’s business strategies and assumes ultimate responsibility for the Group’s Sustainability Report. The Board meets twice a year to discuss ESG-related issues including climate-related topics, in preparation of the annual Sustainability Report.

The Board oversees the Sustainability Committee and interacts with management to ensure a functioning sustainability governance.

The Sustainability Committee comprises management staff across different business units and is responsible for assessing and managing climate-related risks and opportunities. GuocoLand’s Sustainability Governance Structure is set out in Figure 4.

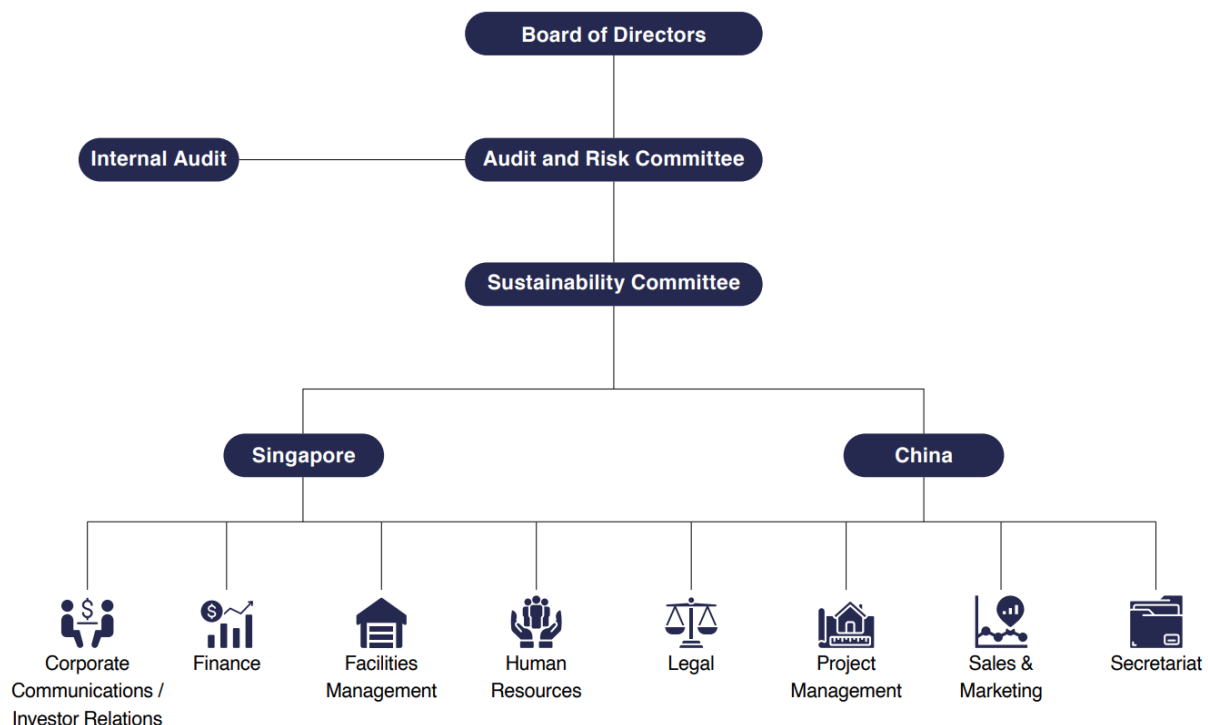


Figure 4: GuocoLand’s Sustainability Governance Structure²

²GuocoLand (Malaysia) Berhad (“GuocoLand Malaysia”) is listed on the Main Market of Bursa Malaysia. As such, it publishes a separate Sustainability Statement within the company’s Annual Report: https://disclosure.bursamalaysia.com/FileAccess/apbursaweb/download?id=220709&name=EA_DS_ATTACHMENTS

2. Green Finance Framework

The Green Finance Framework (the “Framework”) has been developed with the intent to enter into Green Finance Transactions (“GFTs”) to fund and refinance projects, which will deliver environmental and social benefits that support GuocoLand’s sustainability objectives.

Fundraising will include bonds, loans and other forms of debt financing with structures tailored to contribute to sustainable development by application of the net proceeds (i.e. gross proceeds after deduction of issuance cost e.g. transaction and administrative expenses, underwriting fee) to Eligible Green Projects as defined in this Framework.

The Framework outlines the criteria and guidelines for the Group to allocate and manage the proceeds of instruments raised from the GFTs. The Framework is prepared in accordance with relevant international principles and guidelines listed below (collectively the “Principles”),

- Green Loan Principles 2021 by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association
- Green Bond Principles 2021 by the International Capital Market Association (“ICMA”)
- ASEAN Green Bond Standards 2018 by the ASEAN Capital Markets Forum

In line with the Principles, the Framework comprises the following four core components:

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

The GFTs may be in any currency, tenor or with other terms and conditions including covenants, to reflect the financing strategy of the Group as well as the outcome of the commercial discussions between the Group and its financiers.

The Framework covers assets and projects under the Group, as well as the Group’s interest in associates and joint ventures¹.

2.1 Use of Proceeds

100% of the net proceeds raised from GFTs will be used exclusively to finance or refinance, in part or in full, new or existing projects which fall within the categories described below (“Eligible Green Project Categories”) and which meet the eligibility criteria described below (“Eligibility Criteria”) (each, an “Eligible Green Project”):

Eligibility Criteria

Eligible Green Project Categories	Environmental Objectives	Description	Sample of Eligible Green Projects
<p>Green Buildings</p> <p>United Nations Sustainable Development Goal (“SDG”) 9 SDG 11 SDG 13</p>	<ul style="list-style-type: none"> • Climate Change Mitigation • Energy Conservation • Natural Resource Conservation 	<p>Green buildings are new, existing or refurbished buildings which meet regional, national or internationally recognised standards or certifications, which include:</p> <ul style="list-style-type: none"> - Green Mark by the Singapore Building and Construction Authority (“BCA”): Green Mark Gold^{PLUS} and above; - China Green Building Evaluation Label 2-star rating and above; - LEED® (Leadership in Energy and Environmental Design) by the U.S. Green Building Council: Gold and above; - Malaysia Green Building Index Gold and above; - BREEAM (Building Research Establishment Environmental Assessment Method) Excellent and above; - NABERS (National Australian Built Environment Rating System) Energy rating 5 star and above. 	<ul style="list-style-type: none"> - Guoco Midtown & Midtown Bay, Guoco Tower, Sofitel Singapore City Centre (BCA Green Mark Platinum) - Midtown Modern (BCA Green Mark Gold^{Plus}) - Meyer Mansion (Green Mark Gold^{Plus}) - Lentor Modern (Green Mark Gold^{Plus}) - Guoco Changfeng City (LEED Platinum) - Chongqing GuocoLand 18T (seeking China Green Standard Certification upon project completion)

<p>Renewable Energy</p> <p>SDG 7 SDG 11 SDG 12</p>	<ul style="list-style-type: none"> • Climate Change Mitigation • Energy Conservation • Natural Resource Conservation 	<p>Capital expenditures for installation, maintenance and operations of existing and new wind (onshore/offshore) and solar (rooftop/ground mount/floating/offshore) energy generation facilities as well as energy storage systems with a dedicated connection to the wind and solar energy generation facilities.</p>	<ul style="list-style-type: none"> - Electricity generation from solar photovoltaic panel, etc.
<p>Clean Transportation</p> <p>SDG 11</p>	<ul style="list-style-type: none"> • Climate Change Mitigation • Pollution Prevention • Natural Resource Conservation 	<p>Projects that exclusively support environmentally-friendly transportation modes of zero emission such as electric vehicles, public transportation, public walking and cycling infrastructure.</p>	<ul style="list-style-type: none"> - Electric vehicle charging infrastructure - End-of-trip facilities - Cycling paths - Developments integrated with mass public transport e.g. walkways

Exclusion criteria

Any expenditure related to the following activities will be excluded from the Eligible Green Project Categories:

- Fossil fuel, fossil fuel electric power generation projects, and energy efficiency improvement projects for fossil fuel-based electric power generation
- Thermal coal power generation
- Lethal defence goods
- Weaponry

2.2 Process for Project Evaluation and Selection

Project evaluation and selection is a key process in ensuring that the green projects financed by the GFTs meet the Eligibility Criteria set out in the Framework.

Under the Framework, Eligible Green Projects are identified, selected and approved as described in the process below:

The Group Treasury Team will nominate Eligible Green Project(s) for the Green Finance Committee's approval.

The Green Finance Committee comprises the Chief Executive Officer and Group Chief Financial Officer who are both members of the company's Sustainability Committee which is chaired by the Chief Executive Officer.

The Green Finance Committee will ensure that the approved Eligible Green Projects are in line with the Framework.

In addition, the Green Finance Committee will be responsible for approving any future updates of the Framework, including any expansion of the Eligibility Criteria. Any changes to the Framework will be approved by the Board and published on GuocoLand's website.

2.3 Management of Proceeds

A Green Project Register, managed by the Group Treasury Team, will be set up to track the use of proceeds. Information captured in the Green Project Register includes:

- (a) Net proceeds from GFTs
- (b) Net proceeds earmarked and/or allocated to Eligible Green Projects

The Group Treasury Team will conduct an annual review to ensure that: (i) the Eligible Green Projects in the Green Project Register continue to comply with the Eligibility Criteria and the exclusion criteria described in Section 2.1; and (ii) the net proceeds from GFTs are used only for Eligible Green Projects.

If any Eligible Green Projects cease to fulfil the Eligibility Criteria, GuocoLand will on a best effort basis remove or replace such projects as soon as reasonably practicable whereby the selection of a replacement Eligible Green Project will comply with the process described in Section 2.2. This includes, but is not limited to instances of project postponement, divestment or other reasons.

Any unallocated net proceeds may be invested in cash or cash-equivalent instruments, following GuocoLand's usual treasury policy until new Eligible Green Projects that meet the Eligibility Criteria are identified. Temporarily unallocated net proceeds will be subject to the exclusion criteria described in Section 2.1.

Any addition to the Eligible Green Project Categories will follow the process described in Section 2.2.

2.4 Reporting

Reporting during the pre-issuance/pre-origination stage for green bonds and green loans

Prior to each bond issuance or loan origination, the share of net proceeds used for refinancing and the associated lookback period for each bond issuance or loan origination will be disclosed to investors or lenders respectively as appropriate.

Reporting during the post-issuance/post-origination stage for green bonds and green loans

GuocoLand commits to transparent reporting on its GFTs and sustainability efforts in its Sustainability Report or in a standalone report. The following information may be included in the said report:

a) Summary

A list of all GFTs executed in the reporting period and outstanding as of the reporting date and summary terms of each transaction. Key information to be provided will include issuer/borrower entity, transaction date, principal amount of proceeds, maturity date, etc.

b) Allocation Report

- List of Eligible Green Projects to which net proceeds of the GFTs have been allocated
- Accumulated amount allocated to each Eligible Green Project Category.
- Description of the Eligible Green Projects
- Information about the split of net proceeds between financing new Eligible Green Projects and refinancing existing Eligible Green Projects
- Remaining balance of unallocated net proceeds yet to be earmarked and the types of temporary placement
- Share of net proceeds used for refinancing and the associated lookback period for each bond issuance or loan origination

c) Impact Report

Where relevant and possible, GuocoLand will report on the relevant environmental impact resulting from the Eligible Green Projects financed by the GFTs to investors and lenders, including information on the methodology and assumptions used for calculation of the impact indicators. Examples of impact indicators are as follows:

Green Project Categories	Example Impact Metric
Green Buildings	<ul style="list-style-type: none">• Number and Gross Floor Area (m²) of Green Buildings and number of Green Building Certifications obtained
Renewable Energy	<ul style="list-style-type: none">• Renewable energy generated (kWh)• Tonnes of greenhouse gas or carbon dioxide equivalent (tCO₂e) avoided• Renewable energy installed capacity (kW)
Clean Transportation	<ul style="list-style-type: none">• Number of EV charging lots installed• Number of bicycle parking lots

For green bonds and green loans, GuocoLand will disclose relevant information on its GFTs and sustainability efforts annually until full allocation and as necessary in the event of material changes.

3. External Review of the Framework

Pre-issuance of the Framework, GuocoLand has engaged Moody's to conduct an independent external review of this Framework. Moody's has reviewed the alignment of the Framework with the Green Loan Principles 2021 and the Green Bond Principles 2021 and issued a Second Party Opinion which can be viewed on GuocoLand's website.

Post-issuance of this Framework, GuocoLand will engage an independent qualified third party to verify the allocation of net proceeds from its Green Bonds to Eligible Green Projects until full allocation and as necessary in the event of material changes.

4. Disclaimer

This Framework is for information purposes only. Unless specifically referred to in an offering document, this Framework cannot be relied upon in connection with, nor does it constitute or form part of, any offer to sell or offer to buy securities of GuocoLand (including any subsidiary of GuocoLand).