



Second-Party Opinion

Great Eagle Holdings Limited

Sustainable Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Great Eagle Holdings Limited Sustainable Finance Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021, and Social Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Renewable Energy, Climate Change Adaptation, Waste Management and Recycling, Sustainable Water Management, Socio-economic Advancement and Employment Generation, and Pandemic Response – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles, and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 9, 10, 12 and 13.



PROJECT EVALUATION / SELECTION Great Eagle Holdings Limited's sustainability task force (the "Task Force") will be responsible for evaluating and selecting eligible projects. The Task Force's processes of identifying and evaluating material environmental and social risks are applicable to all allocation decisions made under the Framework, which Sustainalytics considers to be adequate risk management systems. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Great Eagle Holdings Limited's treasury team will oversee the management of proceeds and will track the proceeds via an internal records system. Great Eagle Holdings Limited commits to fully allocate net proceeds within 36 months of issuance. Pending allocation, net proceeds will be held in accordance with the Company's treasury and liquidity management policy. This is in line with market practice.



REPORTING Great Eagle Holdings Limited intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting may include information such as the list of eligible projects and their allocated amounts and the proportion of financing versus refinancing. In addition, Great Eagle Holdings Limited is committed to reporting on relevant impact metrics. Sustainalytics views Great Eagle Holdings Limited's allocation and impact reporting as aligned with market practice.

Evaluation Date	May 06, 2022
Issuer Location	Hong Kong, China

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendix	11

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Introduction

Great Eagle Holdings Limited (“Great Eagle”, or the “Company”) is a real estate company that engages in property investment and development and hotel development and management across Asia, North America, Australasia and Europe. Founded in 1963 and headquartered in Hong Kong, the Company owns approximately HKD 119 billion (USD 15.2 billion) in total assets as of 31 December 2021.

Great Eagle has developed the Great Eagle Holdings Limited Sustainable Finance Framework (the “Framework”) under which it intends to issue sustainable debt instruments, namely dated, perpetual¹ and convertible bonds² or loans, whose proceeds will be used to finance and refinance, in whole or in part, existing and future projects that are expected to reduce environmental footprint of Great Eagle and generate social benefits.

The Framework defines eligible green categories in the following six areas:

1. Green Buildings
2. Energy Efficiency
3. Renewable Energy
4. Climate Change Adaptation
5. Waste Management and Recycling
6. Sustainable Water Management

The Framework defines eligible social categories in the following two areas:

1. Socio-economic Advancement and Employment Generation
2. Pandemic Response

Great Eagle engaged Sustainalytics to review the Great Eagle Holdings Limited Sustainable Finance Framework, dated March 2022, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP)³, Green Loan Principles 2021 (GLP), and Social Loan Principles 2021 (SLP)⁴. This Framework has been published in a separate document.⁵

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021 and Social Loan Principles 2021, as administered by LMA, APLMA, and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

¹ Great Eagle confirmed the commitment to matching eligible green assets equal to or more than the net proceeds of the bonds until the bond exists or until being repurchased or called back by the Issuer in the future.

² For standard convertible bonds, once the conversion has occurred, the SPO is no longer valid for the assessed securities falling under this asset class. In the case of mandatory convertible bonds, net proceeds should be fully allocated prior to the conversion date to be eligible.

³ The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁴ The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

⁵ The Great Eagle Holdings Limited Sustainable Finance Framework is available on Great Eagle Holdings Limited’s website at: <https://www.greateagle.com.hk/>.

⁶ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Great Eagle's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Great Eagle representatives have confirmed (1) they understand it is the sole responsibility of Great Eagle to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Great Eagle.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Great Eagle has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Great Eagle Holdings Limited Sustainable Finance Framework

Sustainalytics is of the opinion that the Great Eagle Holdings Limited Sustainable Finance Framework is credible, impactful and aligns with the four core components of the GBP, SBP, GLP, and SLP. Sustainalytics highlights the following elements of Great Eagle's Sustainability Finance Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Energy Efficiency, Renewable Energy, Climate Change Adaptation, Waste Management and Recycling, Sustainable Water Management, Socio-economic Advancement and Employment Generation, and Pandemic Response – are aligned with those recognized by the GBP, SBP, GLP, and SLP. Sustainalytics is of the opinion that the bonds and loans financed or refinanced under this Framework are expected to contribute to reducing environmental footprint of Great Eagle and provide social benefits.
 - In the Green Buildings category, Great Eagle may finance or refinance the following:
 - Development, renovation, and maintenance of new and existing residential, hotel, commercial and retail buildings that are expected to achieve the following certification levels through the development, design, and procurement of smart and green building technologies and solutions: Hong Kong BEAM Plus (Gold or above),⁷ LEED (Gold or

⁷ BEAM Society Limited (BSL), "BEAM Plus New Buildings and Existing Buildings", at: [https://www.beamsociety.org.hk/files/_4-04%20New%20Buildings%20\(Full%20Version\).pdf](https://www.beamsociety.org.hk/files/_4-04%20New%20Buildings%20(Full%20Version).pdf)

above),⁸ China Green Building Evaluation Standard (Two-star or above),⁹ BREEAM (Excellent or above),¹⁰ EDGE,¹¹ EarthCheck Building Planning and Design Standard (Gold or above).¹² For buildings which have already achieved the above-mentioned certification levels, financing of their renovation will be limited to those expected to achieve a minimum 20% improvement in energy performance.

- Refurbishment and tenant engagement initiatives that aim to achieve the certification levels or energy improvement target as set out above. The Company clarified that the expenditures are anticipated to be a small part of the Framework. Although Sustainalytics views positively activities that are related to directly and indirectly improving energy efficiency, Sustainalytics encourages the Company to report on how the activities are supporting quantitative environmental benefits.
- In the Energy Efficiency category, Great Eagle may finance or refinance projects that lead to: (i) an energy efficiency improvement of at least 10% in buildings or (ii) an energy intensity reduction of at least 10% for the Company. This may include upgrades of building facilities or equipment, adoption of energy management technology or solutions, and professional services that are dedicated to energy efficiency improvements. Sustainalytics views positively the inclusion of a defined energy efficiency threshold for the installation of energy-efficient systems, equipment and technologies, which ensures meaningful energy savings.
- In the Renewable Energy category, Great Eagle may finance or refinance the deployment of renewable energy projects. Sustainalytics considers Great Eagle's investments to be aligned with market practice, noting the following thresholds and requirements:
 - Installation of on-site renewable energy generation systems, including solar PV, geothermal with direct emissions intensity under 100 gCO₂/kWh and wind.
 - Power Purchase Agreements with validity greater than 5 years.
 - Green tariffs that facilitate long-term (more than 5 years) agreement for specific and identifiable renewable energy projects.
 - Purchase of carbon credits¹³ that are certified with Gold Standard.¹⁴ Great Eagle confirmed to Sustainalytics that carbon credit related expenditures will account for a minority of net proceeds (less than 10%) and are not for the purpose of offsetting Scope 1 emissions generated from the core operations of Great Eagle.
- In the Climate Change Adaptation category, Great Eagle may finance or refinance the following:
 - The adoption of sustainable, passive and active approaches to architectural and engineering systems design and selection to enhance the climate resilience of existing and new build assets. Examples of projects include anti-flooding measures, such as seawalls, flood gates and ground level drainage systems.
 - Development and implementation of projects that will enhance organizational preparedness for climate change, such as climate risk scenario planning tools.
 - GE commits to conducting climate change vulnerability assessments and adaptation plans for the above-mentioned projects. This is in line with market practice.
- Under the Waste Management and Recycling category, Great Eagle may finance or refinance projects that aim to reduce the volume of waste or waste to landfills and increase recycling. This may include the collection of recyclable wastes and food wastes through the installation of recycling stations and food waste composter. Sustainalytics views this to be aligned with market practice.

⁸ Leadership in Energy and Environmental Design (LEED), "LEED rating system", at: <https://www.usgbc.org/leed>

⁹ World Green Building Council, "Assessment Standard for Green Building of China", at:

<https://www.worldgbc.org/sites/default/files/Introduction%20to%20China%20Green%20Building%20Assessment%20Standard%203rd%20Edition.pdf>

¹⁰ BREEAM (Building Research Establishment Environmental Assessment Method), "What is BREEAM?" at: <https://www.breeam.com/>

¹¹ EDGE (or "Excellence in Design for Greater Efficiencies"), "Why certify with EDGE?" at: <https://www.edgebuildings.com/certify/>

¹² EarthCheck, "Building Planning and Design Standard (BPDS) Version 4.3", (2018), https://earthcheck.org/media/49386/earthcheck_building-planning-design_standard_v43.pdf

¹³ While Sustainalytics believes that (natural) carbon sequestration and offsets could potentially lead to significant environmental benefits, carbon mitigation from own operations and supply chain are preferred options.

¹⁴ Gold Standard is designed by World Wide Fund for Nature (WWF) to ensure real and verifiable carbon credits that make measurable contribution to sustainable development with strict standards on additionality. Moreover, it requires the participation of internal and external stakeholders, including non-governmental organizations, throughout the lifecycle of the project with UNFCCC-accredited Designated Operational Entities (DOEs) to validate/verify the project and its document.

- Under the Sustainable Water Management category, Great Eagle may finance or refinance projects that aim to enhance water efficiency. This may include the installation of systems such as rainwater harvesting, water recycling and drainage management systems, as well as facilities and equipment upgrades such as the installation of automatic low flow water faucet. This is in line with market practice.
- Under the Socio-economic Advancement and Employment Generation category, Great Eagle may finance or refinance the following:
 - Renovation of facilities in public areas to make them more accessible to disabled people or the elderly, such as (i) introducing tactile guide paths and ramps for wheelchair users, (ii) providing barrier-free toilets, (iii) installing induction loop system for hearing aid users and (iv) modifying the height of concierge for wheelchair users.
 - Provision of vocational training to the small- and medium-sized enterprises (SMEs)¹⁵ that are majority owned by vulnerable and underserved population¹⁶. This may include start-up acceleration programmes to support entrepreneurship and ESG training schemes to enhance sustainability knowledge and performance.
 - Sustainalytics views the financing as aligned with market practice.
- Under the Pandemic Response category, Great Eagle may finance or refinance projects related to preventing and alleviating the impact of the COVID-19 pandemic. This may include the installation of intelligent disinfection stations¹⁷ and smart UV disinfection in public areas and escalators, antimicrobial filters in air conditioning systems, and plasma cluster ion generators.¹⁸ This is in line with market practice.
- Great Eagle commits to exclude financing or refinancing of activities related to fossil fuel and clean coal, nuclear related assets, alcohol, armament, mining and gaming. Sustainalytics views the exclusion of these activities to further strengthen the Framework.
- Project Evaluation and Selection:
 - Great Eagle has established a sustainability task force (the “Task Force”) which is responsible for reviewing and selecting eligible investments. The Task Force is comprised of representatives from the Sustainability Department, Project Development, Property Management, Hotel Technical Service Team, Operation Team and Finance Team.
 - Great Eagle has in place the processes of identifying and evaluating material environmental and social risks associated with eligible projects, which are applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional detail see Section 2.
 - Based on the clear delegation of responsibility and presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Great Eagle’s treasury team will be responsible for the management of proceeds. Proceeds will be tracked via an internal records system.
 - Great Eagle commits to fully allocating net proceeds within 36 months of issuance. Pending allocation, net proceeds will be held in accordance with Great Eagle’s treasury and liquidity management policy. Great Eagle commits to exclude projects or activities in fossil fuel, clean coal, nuclear-related assets, alcohol, armament, mining or gaming from use of the unallocated proceeds.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

¹⁵ Great Eagle defines SMEs as aligned with the definition by the Hong Kong government, i.e. manufacturing enterprises which employ fewer than 100 persons and non-manufacturing enterprises which employ fewer than 50 persons. See more information on definition of SMEs in Hong Kong at: https://www.success.tid.gov.hk/english/aboutus/sme/service_detail_6863.html

¹⁶ The vulnerable and underserved population are physically, mentally, or socially disadvantaged persons who may be unable to meet their basic needs and may therefore require specific assistance, .

¹⁷ Intelligent disinfection stations are designed to offer disinfection with full body coverage and temperature monitoring and are used to help companies to contain the virus while resuming businesses amid COVID-19. HKTD, “Navigating Covid-19: Intelligent Disinfection Solutions”, at: <https://research.hktdc.com/en/article/NTY30Dc5Mzg3>

¹⁸ UV lights, antimicrobial filters and plasma cluster ion generators are proved to be effective measures to inactivate/kill covid viruses. U.S. Food and Drug Administration, “UV Lights and Lamps: Ultraviolet-C Radiation, Disinfection, and Coronavirus”, at: <https://www.fda.gov/medical-devices/coronavirus-covid-19-and-medical-devices/uv-lights-and-lamps-ultraviolet-c-radiation-disinfection-and-coronavirus>

- Reporting:
 - Great Eagle intends to report on the allocation and impact of the eligible projects on an annual basis until full allocation. This reporting will be made publicly available on Great Eagle's corporate website or annual reports.
 - Allocation reporting may include the list of eligible projects and their allocated amounts, the balance of unallocated proceeds, information regarding temporary placements and the proportion of financing vs. refinancing.
 - Impact reporting may include quantitative environmental and social indicators, such as amount of GHG emissions reduced (tCO₂e), energy savings (MWh), reduction in water consumption (m³), amount of waste diverted from landfills (tonnes) and number of new jobs created. For the full list of environmental and social impact indicators, please refer to Appendix 1.
 - Based on Great Eagle's commitment to allocation and impact reporting on an annual basis, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Great Eagle Holdings Limited Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP, and SLP. For detailed information please refer to Appendix 1: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy of Great Eagle

Contribution of Framework to Great Eagle Holdings Limited's sustainability performance

Great Eagle has adopted a sustainability approach underpinned by three pillars: Profit, People, and Planet.¹⁹ The Company demonstrates a commitment to sustainability with a focus on minimizing environmental footprint.

With regard to environmental performance, Great Eagle commits to minimizing environmental footprint of operations. Great Eagle has established the goal to achieve carbon net zero by 2045. Within its Hotel and Property Management Divisions, Great Eagle has implemented several measures in its hotels to reduce its divisions' environmental footprint.²⁰ These include (i) energy efficiency improvements such as retrofitting LED lights and upgrading heating, ventilation and air conditions systems, (ii) water saving features in guest rooms, public toilets and kitchens, as well as (iii) installing solar panels and vertical gardens at building rooftops. Within its Development and Project Management Division, Great Eagle is committed to pursuing environmental initiatives as an integral part of the development and project management process.²¹ These include conducting life cycle analysis on the environmental impact of its hotel, office, retail and residential assets, as well as pursuing green building certification schemes for several properties. In 2020, the Company made the following achievements compared to the 2019 performance, including: (i) 42.1% reduction in Hotel's energy intensity (GJ/m²), (ii) 7.6% reduction in Property's energy intensity (GJ/m²), (iii) 34.5% reduction in Hotel's carbon intensity (CO_{2eq}/m²), and (iv) 7.5% in Property's carbon intensity (CO_{2eq}/m²).²²

Sustainalytics is of the opinion that the Great Eagle Holdings Limited Sustainable Finance Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its sustainable development.

Approach to managing environmental and social risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are expected to have a positive environmental and social impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety, biodiversity issues, effluents and waste generated in construction and operation, and supply chain.

Sustainalytics is of the opinion that Great Eagle is able to manage and/or mitigate potential risks through implementation of the following:

¹⁹ Great Eagle, "Sustainability Approach", at: <https://www.greateagle.com.hk/sustainability-approach>

²⁰ Great Eagle, "Annual Report 2020 – Environmental Measures", p. 34, at: <https://www.greateagle.com.hk/storage/photos/shares/finance-reports/e-GE-2020-AR.pdf>

²¹ Great Eagle, "Annual Report 2020 – Environmental Measures", p. 38, at: <https://www.greateagle.com.hk/storage/photos/shares/finance-reports/e-GE-2020-AR.pdf>

²² Ibid.

- To safeguard the health and safety of its employees, tenants and other key stakeholders, Great Eagle has established the Health, Wellbeing and Safety Policy.²³ Under the policy, employees of the Company and its subsidiaries are required to (i) manage occupational health and safety risks by adhering to international standards, including the International Labour Organisation Convention “Occupational Safety and Health Convention”, (ii) engage in health and safety training and development, as well as (iii) conduct emergency response procedures. Furthermore, Great Eagle’s Property Management Division established an Occupational Health and Safety Management System in accordance with the ISO 45001 standard,²⁴ with the aims of identifying health and safety hazards and conducting training courses to achieve the overall goal of zero accidents at the workplace.
- Regarding biodiversity issues, employees and subsidiaries of Great Eagle are required to identify and minimize all significant impacts on the environment and natural resources, including biodiversity and natural habitats according to the Company’s Environmental Policy.²⁵
- To address effluents and waste generated in construction and operation, Great Eagle’s Environmental Policy requires its employees and subsidiaries to reduce air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste. Moreover, the Company’s major subsidiaries have established their environmental management system in accordance with the ISO 14001 standard to identify and mitigate environmental impacts in the operation.²⁶
- The Company has established its Supplier Code of Conduct to manage supplier risk. Under the code of conduct, Great Eagle outlines its expectation for its supplier on ethics, labour practices, and environmental protection. When there is a violation of the code of conduct, Great Eagle will request the supplier to design a corrective action plan to eliminate the issue.²⁷

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Great Eagle has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All nine use of proceeds categories are aligned with those recognized by GBP, SBP, GLP or SLP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

Importance of green buildings in Hong Kong for meeting its carbon neutrality target

The building sector is a significant contributor to energy consumption and carbon emission globally, with 10 GtCO₂ in 2020 accounting for 28% of total energy-related CO₂ emissions.²⁸ In Hong Kong, buildings account for 90% of the total electricity consumption and over 60% of total carbon emission is attributable to generating electricity for buildings each year.²⁹ This highlights the critical need to reduce energy consumption in buildings.

In October 2021, The Government of Hong Kong announced an updated Climate Action Plan 2050, setting forth the vision of “Zero-carbon Emissions Liveable City Sustainable Development”. The plan focuses on four major decarbonization strategies aiming to achieve carbon neutrality by 2050: net-zero electricity generation, energy saving and green buildings, green transport and waste reduction. Under energy savings and green buildings, the Government sets out the specific goal of reducing electricity consumption of commercial buildings by 30% to 40% and residential buildings by 20% to 30% by 2050 from the 2015 levels, and aims to

²³ Great Eagle, “Health, Wellbeing and Safety Policy”, at: <https://www.greateagle.com.hk/storage/photos/shares/sustainability/health-wellbeing-and-safety-policy.pdf>

²⁴ The ISO 45001 specifies requirements for an Occupational Health and Safety management system, which enables organization to provide safe and healthy workplaces by preventing work-related injury and ill health. More information at: <https://www.iso.org/standard/63787.html>

²⁵ Great Eagle, “Environmental Policy”, at: https://www.greateagle.com.hk/files/ge_environment_policy.pdf

²⁶ The ISO 14001 sets out the criteria for an environmental management system. It maps out a framework that a company or organization can follow to set up an effective management system. More information at: <https://www.iso.org/iso-14001-environmental-management.html>

²⁷ Great Eagle, “Supplier Code of Conduct”, at: <https://www.greateagle.com.hk/files/GEG-Supplier-CoC.pdf#:~:text=Supplier%20Code%20of%20Conduct%20In%20order%20to%20achieve,the%20supply%20chain.%20As%20such%2C%20the%20Group%20has>

²⁸ Global Alliance for Buildings and Construction, “The Global Status Report for Buildings and Construction”, at: <https://globalabc.org/news/launched-2020-global-status-report-buildings-and-construction>

²⁹ Hong Kong Environmental Protection Department, “Hong Kong’s CLIMATE ACTION PLAN 2050”, at: https://www.climate.gov.hk/files/pdf/CAP2050_booklet_en.pdf

Based on the above context, Sustainalytics is of the opinion that Great Eagle's investments in green buildings are expected to reduce carbon footprint of Hong Kong's building sector and therefore contribute to Hong Kong's transition to carbon neutrality.

The COVID-19 pandemic triggered one of the deepest economic recessions in the last century.³⁵ The pandemic threatened health, disrupted economic activity along with hurting well-being and jobs.³⁶ According to the International Monetary Fund, global economic growth fell to an annualized rate of -3.1% in 2020.³⁷ In the case of pandemics, investment in prevention cost lesser than investment in cure.³⁸ Healthy buildings play a critical role in creating a healthy environment for all occupants by preventing illness and loss of productivity.³⁹ Investment in building design such as increasing ventilation, maintaining optimal humidity, and filtration of indoor air along with signages to maintain hygiene and regular cleaning protocol in a building has been found effective in limiting the transmission of the coronavirus and disruption in day to day work.⁴⁰

The socioeconomic toll on Hong Kong has been significant on business and the job market. The unemployment rate reached 7.2% in February 2021, the highest since 2004.⁴¹ To control the COVID-19 epidemic situation, Hong Kong Government has announced social distancing measures including operation suspension for selected premises and restrictions on the catering business, which will lead to a hit to the Hong Kong economy.^{42 43} The impacts of COVID-19 are likely to have lasting effects, while proactive and anticipatory foresight and appropriate planning, building, and maintaining infrastructure can help prepare for future uncertainties.⁴⁴

Alignment with/contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bonds

44 Ibid.

and loans issued under the Great Eagle Holdings Limited Sustainable Finance Framework advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Climate Change Adaptation	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Waste Management and Recycling	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Sustainable Water Management	6. Clean water and sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Socio-economic Advancement and Employment Generation	10. Reduced inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	4. Quality Education	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Pandemic Response	3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Conclusion

Great Eagle has developed the Great Eagle Holdings Limited Sustainable Finance Framework under which it may issue sustainability bonds and loans and use the proceeds to finance projects in the following categories: Green Buildings, Energy Efficiency, Renewable Energy, Climate Change Adaptation, Waste Management and Recycling, Sustainable Water Management, Socio-economic Advancement and Employment Generation, and Pandemic Response. Sustainalytics considers that the projects funded using proceeds from the instruments issued under the Framework are expected to provide positive environmental and social impact.

The Great Eagle Holdings Limited Sustainable Finance Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that Great Eagle Holdings Limited Sustainable Finance Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories are expected to contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 9, 10, 12 and 13. Additionally, Sustainalytics is of the opinion that Great Eagle has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Great Eagle Holdings Limited is well-positioned to issue sustainability bonds and that Great Eagle Holdings Limited Sustainable Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2021), Social Bond Principles (2021), Green Loan Principles (2021), and Social Loan Principles (2021).

Appendix

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Great Eagle Holdings Limited
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Great Eagle Holdings Limited Sustainable Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 06, 2022

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

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

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Renewable Energy, Climate Change Adaptation, Waste Management and Recycling, Sustainable Water Management, Socio-economic Advancement and Employment Generation, and Pandemic Response – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles, and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 4, 6, 7, 9, 10, 12 and 13.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| ☒ Renewable energy | ☒ Energy efficiency |
| ☐ Pollution prevention and control | ☐ Environmentally sustainable management of living natural resources and land use |
| ☐ Terrestrial and aquatic biodiversity conservation | ☐ Clean transportation |
| ☒ Sustainable water and wastewater management | ☒ Climate change adaptation |
| ☒ Eco-efficient and/or circular economy adapted products, production technologies and processes | ☒ Green buildings |
| ☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | ☐ Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|---|--|
| ☐ Affordable basic infrastructure | ☐ Access to essential services |
| ☐ Affordable housing | ☒ Employment generation (through SME financing and microfinance) |
| ☐ Food security | ☒ Socioeconomic advancement and empowerment |
| ☐ Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | ☐ Other (please specify): Pandemic Response |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Great Eagle Holdings Limited's sustainability task force (the "Task Force") will be responsible for evaluating and selecting eligible projects. The Task Force's processes of identifying and evaluating material environmental and social risks are applicable to all allocation decisions made under the Framework, which Sustainalytics considers to be adequate risk management systems. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| ☒ Credentials on the issuer's social and green objectives | ☒ Documented process to determine that projects fit within defined categories |
| ☒ Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | ☒ Documented process to identify and manage potential ESG risks associated with the project |
| ☐ Summary criteria for project evaluation and selection publicly available | ☐ Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| ☒ Evaluation / Selection criteria subject to external advice or verification | ☐ In-house assessment |
| ☐ Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Great Eagle Holdings Limited's treasury team will oversee the management of proceeds and will track the proceeds via an internal records system. Great Eagle Holdings Limited commits to fully allocate net proceeds within 36 months of issuance. Pending allocation, net proceeds will be held in accordance with the Company's treasury and liquidity management policy. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| ☒ Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| ☐ Other (please specify): |

Additional disclosure:

- | | |
|---|---|
| ☐ Allocations to future investments only | ☒ Allocations to both existing and future investments |
| ☐ Allocation to individual disbursements | ☐ Allocation to a portfolio of disbursements |

☒ Disclosure of portfolio balance of unallocated proceeds

☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

Great Eagle Holdings Limited intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting may include information such as the list of eligible projects and their allocated amounts and the proportion of financing versus refinancing. In addition, Great Eagle Holdings Limited is committed to reporting on relevant impact metrics. Sustainalytics views Great Eagle Holdings Limited's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

Information reported:

☒ Allocated amounts

☐ Sustainability Bond financed share of total investment

☐ Other (please specify): share of financing versus refinancing

Frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

Information reported (expected or ex-post):

☒ GHG Emissions / Savings

☒ Energy Savings

☒ Decrease in water use

☐ Number of beneficiaries

☒ Target populations

☒ Other ESG indicators (please specify): Amount of waste diverted from landfills (tonnes), increase in employment rate / new job creations within the target population

Frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Means of Disclosure

- | | |
|---|--|
| ☒ Information published in financial report | ☐ Information published in sustainability report |
| ☐ Information published in ad hoc documents | ☒ Other (please specify): Issuer's corporate website |
| ☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| ☐ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ Other (please specify): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. **Second-Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

-
- iv. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2021, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the fourth consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2021 for the third consecutive year. For more information, visit www.sustainalytics.com.

