

Second-Party Opinion

Minmetals Land Limited Sustainable Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Minmetals Land Limited Sustainable Finance Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, Social Bond Principles 2020, 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 proceeds¹ 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 and 11.



PROJECT EVALUATION / SELECTION Minmetals Land Limited's ("MML") project selection and evaluation process will be managed by a Sustainable Development Working Group ("SDWG"), comprised of senior members from the Operations, Design, Finance, Investor Relations and Company Secretary departments. The SDWG will be responsible for identifying and presenting potential projects to the Executive Committee ("EC") for review and approval, with oversight from MML's Board of Directors. Any projects that no longer meet the eligibility criteria will be replaced by new ones as soon as practicable. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS MML's Finance department will be responsible for the management of proceeds. The allocation of proceeds will be tracked using a Sustainable Financing Transactions ("SFTs") register. Unallocated proceeds will be temporarily held in cash or cash equivalents in line with the Company's treasury or liquidity management policy. This is aligned with market practice.



REPORTING MML intends to report on allocation of proceeds on its website or in its annual report on an annual basis until full allocation. Allocation reporting will include information such as the allocation amount by eligible category, project descriptions, share of financing vs. refinancing, lookback period for refinanced projects and amount of unallocated proceeds. In addition, MML is committed to reporting on relevant impact metrics. The allocation and impact reports will be reviewed and approved by the SDWG. Sustainalytics views MML's allocation and impact reporting as aligned with market practice.

Evaluation Date	July 12, 2021
Issuer Location	Hong Kong, China

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	10

For inquiries, contact the Sustainable Finance Solutions project team:

Evan Bruner (Amsterdam)
Project Manager
evan.bruner@sustainalytics.com
(+31) 20 205 0027

Imran Ustad (Mumbai)
Project Support

Shreeya Garg (Amsterdam)
Project Support

Anirban Sengupta (Mumbai)
Project Support

Setch Chang (Shenzhen)
Client Relations
susfinance.apac@sustainalytics.com
(+852) 3008 2391

¹ Green Buildings, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Climate Change Adaptation, Clean Transportation, Affordable Housing and Equitable Access to Essential Services

Introduction

Minmetals Land Limited (“MML”, or the “Company”), the real estate arm of China Minmetals Corporation, is a publicly listed real estate company headquartered in Hong Kong, China. Founded in 1991, the Company has property development, management and investment operations in Hong Kong and Mainland China. MML is a publicly listed company on the Hong Kong Stock Exchange since 1991.

MML has developed the Sustainable Finance Framework (the “Framework”) under which it intends to issue green, social and sustainability bonds, loans and other debt-like instruments, and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that are intended to reduce MML’s carbon footprint and improve the sustainability performance of the Company’s operations in China.

The Framework defines eligibility criteria in seven green areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Pollution Prevention and Control
5. Sustainable Water and Wastewater Management
6. Climate Change Adaptation
7. Clean Transportation

The Framework defines eligibility criteria in one social area:

8. Equitable Access to Essential Services

MML engaged Sustainalytics to review the Minmetals Land Limited Sustainable Finance Framework, dated June 2021, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2018 (SBG), Green Bond Principles 2018 (GBP), Social Bond Principles 2020 (SBP)², Green Loan Principles 2021 (GLP), and Social Loan Principles 2021 (SLP)³. This Framework has been published in a separate document.⁴

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ 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 2018, Green Bond Principles 2018, and Social Bond Principles 2020, 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.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.9.1, 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 MML’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. MML representatives have

² 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/>

³ 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/>

⁴ The Minmetals Land Limited Sustainable Finance Framework is available on Minmetals Land Limited’s website at: <http://www.minmetalsland.com>

⁵ 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.

confirmed (1) they understand it is the sole responsibility of MML 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 MML.

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.

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 MML has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Minmetals Land Limited Sustainable Finance Framework

Sustainalytics is of the opinion that the Minmetals Land Limited Sustainable Finance Framework is credible, impactful and aligns with the four core components of the SBG, GBP, SBP, GLP, and SLP. Sustainalytics highlights the following elements of MML's Sustainability Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Climate Change Adaptation, Clean Transportation and Equitable Access to Essential Services – are aligned with those recognized by the GBP, SBP, GLP, and SLP. Sustainalytics considers that MML's investments in eligible projects are expected to improve environmental and social performance of the Company's operations in China.
 - MML has established a three-year look-back period for refinancing and intends to fully allocate the net proceeds within three years of issuance, which Sustainalytics considers to be in line with market practice.
 - Under the Green Buildings category, MML may finance and/or refinance investments for the construction of new buildings or renovation of existing buildings which have received or will be designed to receive any of the following minimum certification levels: BEAM Plus "Gold", BREEAM "Excellent", Chinese Green Building Evaluation Label "2 star", LEED "Gold", Living building challenge "any level". In addition to that, the buildings may also get certified with any level of the WELL Building Standard to ensure well-being of its occupants. Sustainalytics views these certifications as credible, and the levels selected as impactful. See Appendix 1 for an overview of the certification schemes.
 - In the Renewable Energy category, MML may finance and/or refinance the installation of renewable energy systems including solar, wind and hydroelectric energy.
 - The Company may also invest in procurement of renewable energy through Power Purchase Agreements (PPAs). Sustainalytics notes that long-term PPAs are market practice, and the Company has committed to its renewal of existing short-term

- contracts. However, Sustainalytics encourages the Company to establish long-term PPAs.
- Regarding the Renewable Energy certificates (RECs), Sustainalytics notes that purchasing long-term RECs are market practice and MML confirmed that RECs will be directly tied to specific and identifiable renewable energy projects, and exclude one-time, short-term purchases of unbundled RECs.
 - Within the Energy Efficiency category, MML intends to invest in improving the energy efficiency and reducing the energy consumption of its building portfolio.
 - The Company may finance or refinance electricity powered energy efficient systems and technologies that result in at least a 15% improvement in energy efficiency. Intended project examples include the installation and replacement of equipment in buildings such as lighting and motion sensors, air-conditioning systems, and elevator systems. Sustainalytics positively views the Framework's inclusion of a defined energy efficiency threshold for the installation of energy efficient systems, equipment, and technologies. MML has confirmed to Sustainalytics that energy efficiency related systems and technologies will be powered by electricity.
 - Within the Pollution Prevention and Control category, the Company intends to invest in the construction of waste recycling and treatment facilities, and the installation and implementation of systems and equipment at its properties that help manage waste through collection, recycling, and treatment. MML has informed Sustainalytics that waste collection vehicles financed under this category will be fully electric. This is aligned with market practice.
 - Under the Sustainable Water and Wastewater Management category, MML intends to finance or refinance the installation of water collection and water management systems and equipment that improve water quality or water efficiency by at least 15% through the collection, treatment, and recycling of water, rainwater, and wastewater. Project examples include drip irrigation systems, drainage management, water audits and installation of submeters to detect leakage of water. MML has confirmed to Sustainalytics that the Company excludes treatment of waste from fossil fuel operations under the Framework. Sustainalytics positively views the Framework's inclusion of a defined threshold for improvement in water efficiency under this category.
 - Under the Climate Change Adaptation category, MML plans to finance the development of buildings with an aim to reduce the risk of flood and replenish groundwater. Project examples include the development of "Sponge Cities"⁶ which could result in expenditures relating to permeable pavements, concave green spaces, rainwater collection and utilization facilities and rainwater storage systems. MML may also finance the construction of humps and mechanized flood barriers in low-lying infrastructure such as underground car parks.
 - Within the Clean Transportation category, MML intends to finance the acquisition of electric vehicles, and the development and maintenance of associated infrastructure. Potential infrastructure projects could include electric vehicle charging stations and construction of parking spaces exclusively for electric vehicles. Sustainalytics considers these investments to be in line with market practice.
 - Within the Equitable Access to Essential Services category, MML intends to finance:
 - The development of (i) medical infrastructure and healthcare facilities, and (ii) education infrastructure and training facilities, in targeted communities for use by the general public. The Company has confirmed that these facilities will be available free of cost.
 - The provision of wheelchair accessible facilities for wheelchair users, and the installation of elevator systems for the mobility challenged residents at its properties.
 - Project Evaluation and Selection:
 - A Sustainable Development Working Group ("SDWG"), comprised of senior members from Operations, Design, Finance, Investor Relations and Company Secretary, will be responsible for the execution of the project evaluation and selection process.
 - MML has established a three-tier project selection process. The SDWG will first identify and shortlist projects in collaboration with the relevant business units within the Company. The

⁶ The Sponge Cities concept is designed to absorb and capture rainwater, and includes green rooftops, low elevation greenbelt, bioretention, rainwater-based irrigation, and rainwater cisterns for flood prevention.

SDWG will then present potential projects to the Executive Committee (“EC”), comprised of all executive directors of the Company, for review and approval in line with the criteria in the Framework. The project evaluation and selection process will be overseen by MML’s Board of Directors. Any projects that no longer meet the eligibility criteria will be replaced by new ones as soon as practicable.

- Based on the establishment of the SDWG and the EC, and the cross divisional membership of the SDWG, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - MML’s Finance department will track the allocation of net proceeds using a Sustainable Financing Transactions (“SFTs”) register. Pending full allocation, the unallocated proceeds will be temporarily invested in cash or cash equivalents in line with the Company’s treasury or liquidity management policy. MML intends to fully allocate the proceeds within two to three years of issuance.
 - Based on the use of an SFTs register and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - MML will report annually on the allocation of proceeds on its website or in its annual report until full allocation. Allocation reporting will include the amount of net proceeds allocated to eligible categories, the balance of unallocated proceeds, the share of financing vs refinancing, the lookback period for refinanced projects and project descriptions.
 - In addition, MML is committed to reporting on relevant impact metrics where relevant and subject to availability. The Company aims to include the following impact indicators, among others: green building certifications obtained, renewable energy generated, energy savings in MWh, avoided CO₂ and other GHG emissions, waste reduced and/or diverted from landfills in tonnes, reduction in water usage and number of affordable housings developed.
 - The allocation report and the impact report will be reviewed and approved by the SDWG. Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the Minmetals Land Limited Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP, and SLP. For detailed information please refer to Appendix 2: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy of MML

Contribution of Framework to Minmetals Land Limited’s sustainability strategy

MML aims to integrate sustainability into its operations and deliver positive environmental and social impacts through its operations.⁷ The Company focuses on sustainable building designs, responsible and green material consumption, and water management measures.⁸ MML’s sustainability strategy focuses on reduction of energy and water consumption in its operations and across its supply chain, consumption of eco-friendly construction material, and conservation of natural resources.⁷ However, their Scope 2 emissions, energy consumption and water consumption have increased significantly compared to 2017 which demonstrates the need for continued improvement.

In 2020, the Company introduced a “5M intelligent health product system” to develop products and technologies that contribute to the well-being of its customers through their principles of “Merit in healthy living, Mutual and intelligent system for households and community, Mindful of the need to provide caring services and protective security system, Merry and comfortable lifestyle and environment and to Master green construction”. With the implementation of the 5M intelligent health product system, MML intends to integrate green and eco-efficient elements into its real estate development projects.⁸

In 2017, MML began disclosing their GHG emissions (scopes 1 and 2), energy use and water consumption in their ESG Performance Report.⁹ MML has reduced their Scope 1 emissions by 12.7% from 2017 levels in 2020. The Company has laid out objectives to reduce their energy and water consumption at their construction sites,

⁷ Minmetals Land Limited, “Annual report 2020”, (2021) available at: <http://www.cre8ir.com/static/230/2021042301079.pdf>

⁸ Minmetals Land Limited, “Sustainable Bond Framework”, available at: <http://www.minmetalsland.com>

⁹ Minmetals Land Limited, “Annual report 2017” (2018) available at: <http://www.cre8ir.com/static/230/LTN20180423893.pdf>

which includes maximizing renewable energy and promoting water recycling and reuse at construction sites.^{7,9}

The Company is a member of the “China Real Estate Industry Green Supply Chain Initiative”. The Green Supply Chain Initiative aims to promote green procurement of real estate and related companies and promote supply chain environment management.¹⁰ To achieve the objectives of the initiative, the Company considers the supplier’s environmental performance and status of its legal compliance for procuring construction material.⁷

Sustainalytics is of the opinion that the Sustainable Finance Framework is aligned with the company’s overall sustainability strategy and initiatives and will further the Company’s action on its key environmental and social priorities. Nevertheless, Sustainalytics encourages MML to set time-bound quantitative targets to advance its sustainability performance.

Well-positioned to address common 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 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, community relations, land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents, and waste generated in construction.

Sustainalytics notes that a mine managed by Metallurgical Corporation of China Ltd (MCC) subsidiary of China Minmetals, which is also the parent company for MML, has deposited tailings waste into the sea (a process called deep sea tailings placement) which is likely to cause significant harm to both the environment and the lives of the local people. Also in February 2020, villagers and the local government filed a lawsuit against the mine, seeking over USD 5 billion in damages for a spill that occurred in 2019. Thus, the severe impacts of the waste disposal process pose environment risk and the reputational risk to the Company. Sustainalytics notes that this is an ongoing controversy and MCC intends to spend on remedial measures to avoid environment degradation.

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

- As part of China’s Environmental Impact Assessment Act, all projects related to construction, reconstruction, expansion and/or refurbishing are obliged to conduct an environmental risk assessment during the initial phase of project design and feasibility analysis. The act stipulates that the assessment must include the identification of key risk factors related to air, water, soil pollution or human health. According to Chinese law, all companies are required to undergo an assessment by an independent and certified environmental impact assessment agency to avoid any conflict of interest.¹¹
- The Company engages with its stakeholders actively through different stakeholder communication channels specific to each stakeholder. The key issues for every stakeholder group is identified and measures are taken to adequately address the concerns. With regards to its construction sites, the Company engages with the local communities to address any concerns.⁷
- The Company through its “37°C Caring services” for its property management teams ensure safe environment to its residents. The teams are accredited with QES certification.¹² The Company has established a comprehensive occupational health and safety management system that covers both the employees as well as contractors. Through various production safety working committees at the headquarters and regional offices, MML conducts inspections to ensure the safety of the construction sites and hold safe production trainings for employees.⁷

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

¹⁰ Reuters, “China’s property giants launch green index” (2017), available at: <https://www.reuters.com/article/us-china-property-environment-idUSKBN16T1VH>

¹¹ Environmental Impact Assessment in China, technical report available at:

https://www.researchgate.net/publication/268503532_Environmental_Impact_Assessment_in_China

¹² Santos et al., “Quality, Environment and Safety - from individual systems to integration. A Portuguese case study.” (2012) at: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.929.4099&rep=rep1&type=pdf>

Section 3: Impact of Use of Proceeds

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

The role of green buildings and energy efficiency in buildings to achieve Carbon neutrality in China

China is one of the highest emitters of carbon dioxide emissions, contributing approximately 10.17 billion tons of CO₂ in 2019, which accounted for 28% of the total CO₂ emissions in the world.¹³ As per its updated Nationally Determined Contribution's in 2020, China has committed to achieve peak carbon emissions before 2030 and reach carbon neutrality before 2060.¹⁴

The buildings sector is a significant contributor of carbon emissions in China with 525.1 mn tons CO₂ in 2016.¹⁵ In addition, emissions associated with the production of electricity and heat remain the biggest source of greenhouse gas (GHG) emissions in the country. Estimates predict urban population to reach 1 bn people by 2030 in China, the urban real estate sector is expected to grow, making the sector an important player in controlling carbon emissions and energy consumption.¹⁶

Under the 14th Five Year Plan for Construction Development released by the State Council of China, the Chinese Government set a target of reducing its energy intensity by 13.5% in between 2021 and 2025.¹⁷ In continuance to the 13th FYP, which required increasing the share of urban green buildings to 50% of newly built infrastructures, and the proportion of green building materials used to reach 40%,¹⁸ the focus of the 14th Five Year Plan stays on designing clean and efficient buildings and infrastructure, and retrofitting buildings to achieve energy efficiency.¹⁹ The Government of China has legislation directing Chinese corporations to implement standards and regulations for residential and commercial buildings.²⁰ Studies have shown that Chinese investment has been focused largely on residential buildings, with investments in energy efficiency rising to USD 27 bn in 2018 – a 33% increase from 2015.²¹

The opportunities for the Chinese green building industry are significant, with an estimated USD 12.9 tn in potential low carbon building investments by 2030.²² Based on the above context, Sustainalytics recognizes the importance of improving energy efficiency and promoting green buildings in the reduction of GHG emissions in China. Green buildings and energy efficiency projects funded through MML's sustainable financing framework are expected to provide positive environmental impacts in China.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Minmetals Land Limited Sustainable Finance Framework advances 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

¹³ China: CO₂ Country Profile (2020), available at: <https://ourworldindata.org/co2/country/china>

¹⁴ Climate Action Tracker, Country Summary (2021), available at: <https://climateactiontracker.org/countries/china/>

¹⁵ Greenhouse Gas Emissions by Sector: China, 2016. Available at <https://ourworldindata.org/co2/country/china>

¹⁶ IFC, Climate Investment Opportunities in Emerging Markets, (2016), available at [3503-IFC-Climate_Investment_Opportunity-Report-Dec-FINAL.pdf](https://www.ifc.org/wps/wcm/connect/59260145-ec2e-40de-97e6-3aa78b82b3c9/3503-IFC-Climate_Investment_Opportunity-Report-Dec-FINAL.pdf)

¹⁷ BSR, China's Climate Goals, The 14th Five-Year Plan, and the Impact on Sustainable Business, (2021) Available at: <https://www.bsr.org/en/our-insights/blog-view/china-climate-goals-the-14th-five-year-plan-sustainable-business-impact>

¹⁸ The State Council of China, 13th Five Year Plan for Construction Development 2017, at: <http://www.mohurd.gov.cn/wjfb/201705/W020170504041246.pdf> (Chinese)

¹⁹ Hepburn et al, Towards carbon neutrality and China's 14th Five-Year Plan: Green COVID-19 recovery, sustainable urban development and clean energy transition, (2021). Available at: <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/02/Towards-carbon-neutrality-and-Chinas-14th-Five-Year-Plan.pdf>

²⁰ Shen, Y, and Faure, M, (2020), "Green building in China", International Environmental Agreements: Politics, Law and Economics, at: <https://link.springer.com/article/10.1007/s10784-020-09495-3>

²¹ IEA, 2019 Global Status Report for Buildings and Construction. (2019). Retrieved from <http://wedocs.unep.org/bitstream/handle/20.500.11822/30950/2019GSR.pdf?sequence=1&isAllowed=y>

²² The International Finance Corporation, Climate Investment Opportunities in Emerging Markets Report (2016), available at: https://www.ifc.org/wps/wcm/connect/59260145-ec2e-40de-97e6-3aa78b82b3c9/3503-IFC-Climate_Investment_Opportunity-Report-Dec-FINAL.pdf?MOD=AJPERES&CVID=IBLd6Xq

		countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean Energy 9. Industry, Innovation and Infrastructure	7.3 By 2030, double the global rate of improvement in energy efficiency 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending
Pollution Prevention and Control	3. Good Health and Wellbeing 11. Sustainable Cities and Communities	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 11. 6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Sustainable Water and Wastewater 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
Climate Change Adaptation	11. Sustainable Cities and Communities	11. 5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Equitable Access to Essential Services	3. Good Health and Wellbeing 4. Quality Education	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 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

Conclusion

MML has developed the Minmetals Land Limited Sustainable Finance Framework under which it may issue green, social, and sustainability bonds, loans, and other debt-like instruments, and use the proceeds to finance projects that are expected to reduce the Company's carbon footprint and improve the sustainability performance of its operations in China. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact.






The Minmetals Land 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 Minmetals Land Limited Sustainable Finance Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 9 and 11. Additionally, Sustainalytics is of the opinion that MML has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Minmetals Land Limited is well-positioned to issue sustainability bonds and that Minmetals Land Limited Sustainable Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018), Social Bond Principles (2020), Green Loan Principles (2021), and Social Loan Principles (2021).

Appendices

Appendix 1: Sustainalytics Assessment of Certification Schemes

	LEED	BEAM Plus	BREEAM	CHINA THREE STAR	Living Building Challenge
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BEAM Society Limited (BSL), owner of the Building Environmental Assessment Method (BEAM), is a public body established in 2010. It owns BEAM Plus - a green building assessment tool tailor-made for the high-rise, high density built environment of sub-tropical climate in Hong Kong.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	The Chinese 3-Star Green Building Standard is a Certification System used in China for residential and public buildings (including commercial, hotel and government-owned) that was introduced in 2006 by MOHURD (Ministry of Housing and Urban-Rural Development).	The Living Building Challenge is an international green building certification program and sustainable design framework run by the International Living Future Institute, a US non-profit organization seeking to tackle climate change by pushing for a built urban environment free of fossil fuels.
Certification levels	Certified Silver Gold Platinum	Bronze Silver Gold Platinum	Pass Good Very Good Excellent Outstanding	1-Star 2-Star 3-Star	Living Building Certification Petal Certification Net Zero Energy Building Certification
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Site Aspects (location and design of building, emissions from the site, site management) • Materials Aspects (selection of materials, efficient use of materials, waste disposal and recycling) • Energy Use (annual CO2 emissions or energy use, energy efficient systems and equipment, energy management) • Water Use (water quality, water 	<ul style="list-style-type: none"> • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Land savings and outdoor environment; • Energy savings and utilisation; • Water savings and utilisation; • Material savings and utilisation; • Indoor environment; • Operations and management. 	<ul style="list-style-type: none"> • Place • Water • Energy • Health and Happiness • Materials • Equity • Beauty

		<p>conservation, effluent discharges)</p> <ul style="list-style-type: none"> Indoor Environmental Quality (IEQ) 			
Requirements	<p>Prerequisites (independent of level of certification) + Credits with associated points</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>Prerequisites for each performance area + Credits with associated points</p> <p>Detailed compliance with legal requirements is a prerequisite for the award of credits.</p> <p>For every performance area BEAM prescribes different prerequisites. Every applicable prerequisite in every BEAM category must be achieved for the project to be assessed.</p> <p>Credits are allocated for each performance area, and every area is weighted as per international consensus.²³ The Overall Assessment Grade is determined by the percentage (%) of the applicable credits gained under each performance category and its weighting factor.</p> <p>Verification of compliance with BEAM criteria is done by an independent BEAM Assessor.</p>	<p>Prerequisites depending on the levels of certification + Credits with associated points</p> <p>This number of points is then weighted by item²⁴ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>Prerequisites:</p> <p>The system functions on a checklist basis, with 1-Star buildings meeting 26 criteria, 2-Star an additional 43 items, and 3-Star on a further 14 items. Criteria and weighting differ for public and residential buildings. In public buildings, more weight is given to energy and material savings, while the standard for residential buildings places greater importance on urban land saving and outdoor environments.</p>	<p>The Living Building Challenge is organized into seven performance areas called Petals. Each Petal is further sub-divided into Imperatives, which address specific issues through detailed requirements.</p> <p>All Imperatives assigned to a Typology are mandatory.</p> <p>Living Building Challenge certification requires actual, rather than anticipated, performance demonstrated over twelve consecutive months.</p>
Performance display					

²³ BEAM Plus New Buildings, at: <https://www.beamsociety.org.hk/files/download/download-20130724174420.pdf>.

²⁴ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item.

Appendix 2: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Minmetals Land Limited
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Minmetals Land Limited Sustainable Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 18, 2021
Publication date of review publication:	

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:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> 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, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Climate Change Adaptation, Clean Transportation and Equitable Access to Essential Services – 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 and 11.

Use of proceeds categories as per GBP:

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

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

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

MML's project selection and evaluation process will be managed by a Sustainable Development Working Group ("SDWG"), comprised of senior members from the Operations, Design, Finance, Investor Relations and Company Secretary departments. The SDWG will be responsible for identifying and presenting potential projects to the Executive Committee ("EC") for review and approval, with oversight from MML's Board of Directors. Any projects that no longer meet the eligibility criteria will be replaced by new ones as soon as practicable. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

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

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

MML's Finance department will be responsible for the management of proceeds. The allocation of proceeds will be tracked using a Sustainable Financing Transactions ("SFTs") register. Unallocated proceeds will be temporarily held in cash or cash equivalents in line with the Company's treasury or liquidity management policy. This is aligned with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|---|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |

- Disclosure of portfolio balance of unallocated proceeds Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

MML intends to report on allocation of proceeds on its website or in its annual report on an annual basis until full allocation. Allocation reporting will include information such as the allocation amount by eligible category, project descriptions, share of financing vs. refinancing, lookback period for refinanced projects and amount of unallocated proceeds. In addition, MML is committed to reporting on relevant impact metrics. The allocation and impact reports will be reviewed and approved by the SDWG. Sustainalytics views MML'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):

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):

Green Buildings	<ul style="list-style-type: none"> • Green building certifications obtained • Total floor area of certified green buildings (m²)
Renewable Energy	<ul style="list-style-type: none"> • Amount of power generated from renewable energy (kWh) • Amount of Greenhouse Gases avoided (tonnes)
Energy Efficiency	<ul style="list-style-type: none"> • Energy saved (MWh) • CO2 and other GHG avoided (tonnes)

	<ul style="list-style-type: none"> • Reduction in energy usage intensity for existing buildings compared to its baseline (%)
Pollution Prevention and Control	<ul style="list-style-type: none"> • Amount of waste reduced and/or diverted from landfills (tonnes)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Amount of water saved (m3) • Efforts in providing facility for rainwater harvesting • Reduction in water usage intensity for existing buildings compared to its baseline (%)
Climate Change Adaptation	<ul style="list-style-type: none"> • Area covered by sponge city-related projects in (km2) • Number of people benefitted from reduced flood risk and associated benefits of sponge city-related projects
Clean Transportation	<ul style="list-style-type: none"> • Amount of CO2 avoided due to EVs when compared with conventional vehicles • Amount of harmful emissions when compared with conventional vehicles
Equitable Access to Essential Services	<ul style="list-style-type: none"> • Number of facilities built and the corresponding less-privileged community served • Number of healthcare devices/facilities deployed • Number of education and training devices/facilities deployed

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): 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. 2nd 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.

Disclaimer

Copyright ©2021 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

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 2020, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the third consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



Named

2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider



The Green Bond Principles



The Social Bond Principles