



Redco Properties Group Ltd Sustainable Finance Framework

March 2021



1. Introduction

Redco Properties Group Ltd (“Redco” or the “Group”), founded in 1992, is an integrated real estate developer that specializes in development of middle-to-high-end residential and commercial properties in China. The Group has been listed on the Hong Kong Stock Exchange since January 2014 (1622.HK). Redco has successfully established its presence in a number of key economic cities in the Greater Western Taiwan Straits Economic Zone, the Bohai Economic Rim, the Central and Western Regions and the Greater Bay Area.

Since commencing property development operations in 1995, Redco has successfully executed its multi-regional strategy and demonstrated a proven track record of success by developing in strategically selected cities with high growth potential across China. After its initial success in Quanzhou, Fujian Province, Redco deliberately expanded and quickly replicated its success in strategically targeted key economic cities, including Shenzhen, Zhongshan, Shanghai, Tianjin, Hefei, Nanchang, Jinan, Yantai and Xianyang. Redco also established its presence in Australia by jointly developing a residential community in Sydney with a recognized local developer. In 2020, the Group was awarded ‘China’s Top Green Construction Awards 2020’ and ranked among the ‘Top 30 for Green Real Estate Development Competitiveness’ property developers in China.

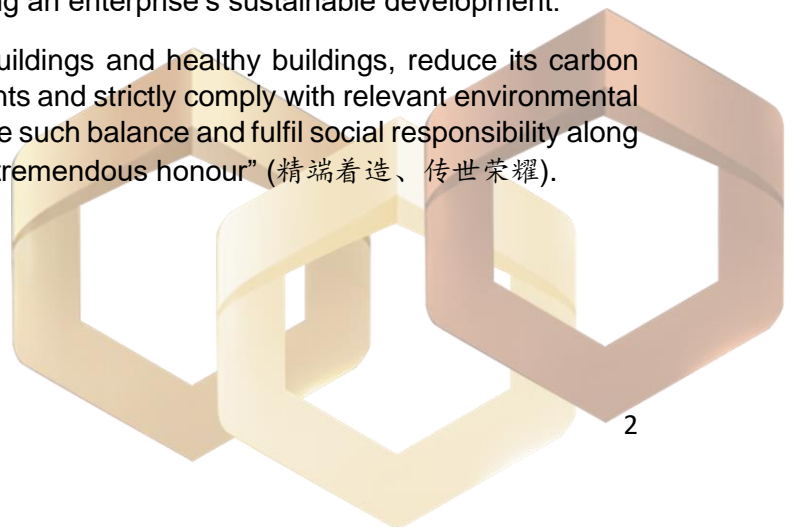
As of December 31, 2020, the Group’s property portfolio comprised 122 property development and investment projects with an aggregate gross floor area of 23.4 million sq.m. under various stages of development in various cities in the PRC and Australia. As of December 31, 2020, the Group achieved contracted sales of c.RMB41.0 billion with the contracted GFA of c.4.76 million sq.m., marking a yoy increase of 49.5% and 83.8% respectively.

Redco has established diversified and complementary land acquisition strategies, including: (i) leveraging its track record in developing quality property projects to acquire additional land in the same geographical area; (ii) early involvement in areas encouraged by the local governments; (iii) acquisition of local property developers that have a land reserve suitable for its development strategy; (iv) focusing on green buildings while incorporating the concepts of community medical, healthcare and elderly nursing to develop properties that meet the needs of the local communities; and (v) incorporating cultural concepts to develop properties that meet the needs of the local communities.

1.1 Redco’ Sustainability Strategy and Vision

Redco is committed to be a responsible social enterprise. The Group believes that a successful enterprise should not maximise profits at all costs but should endeavour to balance stakeholders’ interests and social responsibility for maintaining an enterprise’s sustainable development.

Overall, the Group strives to develop green buildings and healthy buildings, reduce its carbon footprint to improve the well-being of the residents and strictly comply with relevant environmental laws and regulations. The Group aims to achieve such balance and fulfil social responsibility along with its mission of “Signature architecture with tremendous honour” (精端着造、传世荣耀).



1.1.1 Governance

Redco's Board of Directors is responsible for the overall sustainability strategy of the Group, including the issuance of the Sustainable Finance Framework (the "Framework") and setting out the terms of reference for subsequent committees or working groups that will manage the projects under the Framework. Redco's Sustainability Committee will formulate and supervise the policies and measures relating to sustainability issues, with the Audit Committee regularly reporting to the Board of Directors on the progress and effectiveness of Sustainability Initiatives.

Furthermore, Redco's Sustainability Taskforce will execute the requirements of the Sustainability Committee on matters pertaining to ESG within the areas of their responsibility and provide regular reporting. The Sustainability Taskforce will comprise members from the following departments:

- Product R&D
- Human Resources Administration
- Cost-Management, Tender-based Procurement Management, Engineering Management
- Operations Management, Sales and Customer Relations
- Brand Management
- Financial Management

Alongside the Sustainability Taskforce, Redco will also set up a Sustainable Finance Management Team to manage the proceeds of any sustainable financing instrument raised, to ensure that the funds are used for eligible projects.

Green and Sustainability Initiatives

1.1.2 "Healthy Buildings" Concept

Redco places strong emphasis on advancing its research and development (R&D) capabilities of its building products, and has developed its pioneering "New Oriental" and "Healthy Building" concepts. In 2019, Redco released the New Oriental Wellness Architecture (NOWA) 1.0 Product System, which is established in accordance with the United Nations Sustainable Development Goals (UN SDGs) to further upgrade green buildings that have already attained Chinese Green Building Evaluation Standards. This serves to achieve the integrated goals of green buildings, residents' health and social sustainability. Redco will make further enhancements to the buildings particularly in the areas that affect human health and wellness. NOWA comprises of three dimensions, namely Healthy Space and Environment, Healthy Facilities and Amenities and Healthy Community Service, to create a new and holistic system of green buildings with healthy design elements.

In 2019, Redco established the Healthy Buildings research centre with Shenzhen University, creating an innovative and cooperative model of Healthy Buildings research conducted alongside other real estate peers and academic research institutions. Simultaneously, Redco released the white paper 1.0 of "Redco New Oriental's Healthy Building" (《力高新东方的健康建筑》) and put forward a "Two 100 Scheme" in which Redco aims for all new projects to meet 100% of the standards of state-level healthy building requirements within three years. Redco has invested c.RMB177 million for research and development around "Healthy Buildings". This includes

RMB20/sq.m. for a project with a GFA size of 6 million sq.m. in consultation, equipment and construction for anti-pandemic building research centre that is open to the public.

Epidemic Prevention Design Standard: The COVID-19 pandemic highlighted the importance of incorporating emergency preparedness and response solutions into the built environment and design guidelines¹. According to the “Guidance for Prevention and Control of the Novel Coronavirus (Covid-19)” issued by the National Health Commission of the Peoples’ Republic of China as well as research findings on the environmental transmission of SARS at the Amoy Gardens housing estate in Hong Kong, a strong linkage has been drawn between architectural design and respiratory illnesses transmission (including COVID-19) particularly relating to high-rise building elevators and sanitation facilities. Due to the crowded nature of elevators and the floor drain water seal being easily damaged, transmission and mutual infection can easily occur between occupants living in adjacent units above and below each other.

Redco has developed products such as epidemic prevention ventilation systems in the elevators and restrooms, as well as built in disinfection capabilities into the drainage and vent pipes, that will reduce the probability of spread of infectious diseases among residents. Redco published the world’s first Healthy Building Epidemic Prevention Design Standard in 2020. The Company has also upgraded its NOWA product system to 2.0, which includes eight standards and nine patents² underpinning its healthy building technology. These epidemic design elements are conducive toward residents’ health and safety generally, overcoming limitations in existing building design standards as a form of sustainable innovation; furthermore, they can be rapidly mobilized in the future when the need arises.

Other elements of epidemic design include contactless systems including infra-red temperature detection, automated disinfection and sterilization capabilities in shared spaces like elevators and lobbies, adoption of deep-seal traps in kitchens and toilets to avoid transmission through sewer gas, adequately ventilation of elevators with an adjustable air supply system and two-speed fan. The Healthy Building design requirements also include community health centres, facilities for elderly care and people with disabilities, and remote medical consultation facilities with Class 3 hospitals, along with emergency response facilities and green lanes.

1.1.3 Culture and Community

Redco has further developed a differentiated cultural and tourism product line focused on natural tourism, folk culture, and ecological research for the public. These include construction of cultural parks, for example incorporating the cultural concept of the Mazu goddess (妈祖) to construct a cultural park in Tianjin.

Redco has also built on the foundational principles of environmental protection, green development and poverty alleviation to develop a series of community projects. These projects have been focused around urban renewal, environmental improvement and construction of public parks and schools on behalf of the government. Such projects have been implemented in Tianjin,

¹ https://www.architectmagazine.com/practice/architecture-is-a-critical-ingredient-of-pandemic-medicine_o

² Standards include Redco’s Healthy Building Epidemic Prevention Design Standard, Design Standard of Epidemic Prevention for Residential Buildings and Design Standard of Epidemic Prevention for Public Buildings. The latter two are published by Redco in conjunction with Shenzhen University. Redco also holds invention patents for the following systems: epidemic prevention system for healthy residences, positive pressure epidemic prevention system for elevator cabin, elevator epidemic prevention ventilation system.

Quanzhou, Jinan, Yuyao and Hefei. For example, the projects in Jinan include urban renewal aspects, building of city public parks and construction of historical memorial museums.

Redco has established a dedicated charity fund under Redco Charity Foundation to focus on community investment strategy. The Group has been focused on supporting education and to build a more supportive community. In 2020, the Group donated a total of RMB15.2 million to various charities and COVID-19 prevention and relief efforts, including to Tianjin City Redco Foundation, Boluo County Charity Federation, Jinjiang Qingyang Educational Development Fund, Shenzhen Mangrove Wetland Protection Foundation, and various Red Cross societies. Of this, above RMB3.2 million was donated to COVID-19 relief efforts. With regards to COVID-19 relief, Redco has also provided rental relief to the affected tenants.

1.1.4 Environmental Management

Reducing Energy Consumption: Redco is committed to reducing carbon footprint and energy consumption. The Group has implemented the following environmental protection policies to minimise the impact of business activities on the environment. Prior to commencement of a construction project, the Group would assess and predict the amount of emissions to be generated, and formulate an optimal plan to effectively manage emissions and production, as well as monitor emission and waste throughout construction to ensure that they do not exceed any statutory applicable limits.

Redco has undertaken a series of targeted environmental protection and low-carbon technical measures based on the local climate characteristics of various projects. For example, deep geothermal energy is used to supply heat to all occupants in places including Xi-an; while in Jinan, Hefei and other cities, solar water heating systems are installed in all residential buildings to cater for the needs of heated showers. Redco installs electric charging stations at each new project, and equips each construction site with spray dust remover systems whilst avoiding the use of diesel generators. Steps are taken to ensure that idle machines at construction sites are switched off.

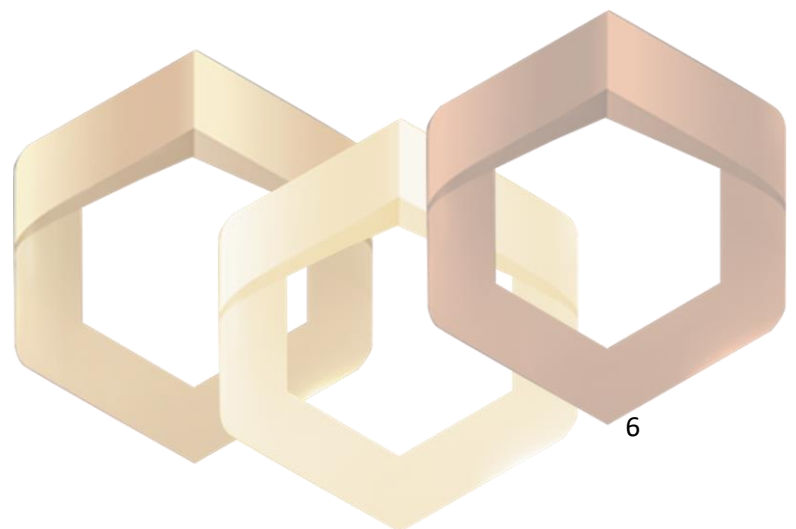
In addition, in the construction and design of the Group's projects, the Group pays attention to energy conservation by adopting designs that utilises natural lighting and ventilation. LED lighting will be installed in all projects of the Group in 2021. In 2018, the Group relocated its headquarters to Redco Building located in Nanshan District, Shenzhen. The new headquarters is furnished with up-to-date energy efficient equipment including for example LED lighting systems, thermostat controlled and energy efficient air conditioning. While improving the Group's environmental performance, the arrangements also improve the working environment for its employees and save costs for the Group.

Waste and Water Management: The Group works closely with contractors and construction workers to carry out various measures to reduce waste, including the separation and recycling of construction waste including steel, glass, paper waste and concrete blocks. The Group will carefully analyse their construction plans before work commencement to reduce the need for refits or demolitions which creates substantial amount of industrial waste. In compliance with relevant environmental laws, all the construction sites of the Group's projects are equipped with sewage clarifiers, construction wastewater, rainwater and other domestic sewage are drawn into the clarifiers for filtration. Filtered water is then recycled for vehicle cleaning and dust removal.

Pipes are inspected and maintained regularly to ensure no leakage. There was no issue with sourcing water that is fit for construction.

1.1.5 Reporting

Redco started publishing its Environmental, Social and Governance Report (“ESG”) covering the Group and its subsidiaries as part of its annual reporting starting in Financial Year 2018. The ESG Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.



2. Sustainable Finance Framework

Redco and its subsidiaries intend to use the Framework as the basis to issue Green, Social or Sustainability Bonds, Loans and other debt instruments (“Sustainable Financing Instruments”). The Sustainable Financing Instruments will fund Eligible Green and/or Social Projects that conform to the sustainable finance principles listed below:

- International Capital Market Association (“ICMA”) Green Bond Principles (“GBP”) 2018³, Sustainability Bond Guidelines (“SBG”) 2018⁴ and Social Bond Principles (“SBP”) 2020⁵; and/or
- Loan Market Association (“LMA”) Green Loan Principles (“GLP”) 2018⁶

In aligning with the above principles and guidelines, the Framework is presented through the GBP’s/SBG’s/SBP’s/GLP’s four core components as well as its recommendation for external review:

- (a) Use of Proceeds
- (b) Process for Project Evaluation and Selection
- (c) Management of Proceeds
- (d) Reporting

Bond(s) issued under the Framework may take the form of public transactions or private placements, in bearer or registered format, and may take the form of senior unsecured or subordinated issuances. Such bonds and loans entered into under the Framework will be standard recourse-to-the-issuer obligations and investors will not bear the credit risk of the underlying allocated eligible asset exposures.

2.1 Use of Proceeds

Redco will allocate an amount at least equivalent to the net proceeds of the Sustainable Financing Instruments issued under the Framework to finance and/or re-finance, in whole or in part, green and/or social projects which meet the eligibility criteria of the following Eligible Green Project categories (“Eligible Green Projects”) and Eligible Social Project categories (“Eligible Social Projects”), as defined as below.

A maximum 3-year look-back period would apply for refinanced projects and Redco expects each issuance under the framework to be fully allocated within 2 years from the date of issuance.





³ In alignment with ICMA Green Bond Principles, June 2018, <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

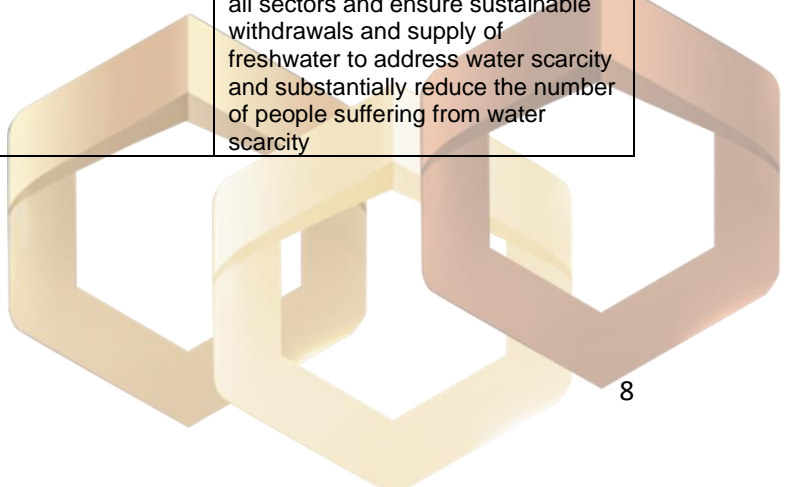
⁴ In alignment with ICMA Sustainability Bond Guidelines, June 2018, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>





⁵ In alignment with ICMA Social Bond Principles, June 2020, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁶ In alignment with LMA Green Loan Principles, May 2020, <https://www.lsta.org/content/green-loan-principles/>



2.1.1 Eligible Green Projects

Project Category	Eligibility Criteria	Alignment with UN SDG Targets
<p>Green Buildings</p>  	<ul style="list-style-type: none"> Investment in new or existing commercial or residential buildings that have received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as: <ul style="list-style-type: none"> U.S. Leadership in Energy and Environmental Design (LEED) – minimum certification of Gold; or BEAM Plus – minimum certification level of Gold; or Chinese Green Building Evaluation Standard – minimum certification level of 2 stars; or BREEAM – minimum certification level of Excellent; or BCA Green Mark – minimum certification level of Gold; or Any other green building label, that is an equivalent standard of the above These buildings may additionally achieve the WELL Building Standard™ (Silver/Gold/Platinum) certification with an aim of improving the well-being of occupiers on top of existing green building labels <p>Or are in the top 15% of buildings within the region based on absolute emissions performance or primary energy demand</p>	<p>SDG 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 acting in accordance with their respective capabilities</p> <p>SDG 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</p>
<p>Energy Efficiency</p> 	<ul style="list-style-type: none"> Refurbishment of buildings that delivers a minimum 20% increase in energy efficiency compared to the existing performance or grade improvement(s) R&D expenditure (limited to 20% of issuance amount) for energy efficiency design and technologies for buildings and construction 	<p>SDG 7.3: By 2030, double the global rate of improvement in energy efficiency</p>
<p>Sustainable Water Management</p> 	<ul style="list-style-type: none"> Investment in technologies, projects and infrastructure for the collection, distribution, treatment, recycling or reuse of water, rainwater or wastewater 	<p>SDG 6.3: By 2030, improve water quality by reducing pollution eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>SDG 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</p>





<p>Pollution Prevention and Control</p> 	<ul style="list-style-type: none"> Investment in waste reduction, reuse or recycling projects Installation of equipment to reduce environmental pollution (e.g. air, water) during construction and/or building operation 	<p>SDG 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>
<p>Renewable energy</p> 	<ul style="list-style-type: none"> Installation of renewable energy systems and associated infrastructure meeting the following eligibility criteria: <ul style="list-style-type: none"> Concentrated solar heat and power generation (CSP) plants with $\geq 85\%$ of electricity generated to be derived from solar energy Geothermal facilities with direct emissions $\leq 100\text{gCO}_2/\text{kWh}$ 	<p>SDG 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p>
<p>Climate Change Adaptation</p> 	<ul style="list-style-type: none"> Investments to develop “sponge cities” that aim to reduce flood risk and replenish groundwater 	<p>SDG 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>
<p>Clean Transportation</p> 	<ul style="list-style-type: none"> Construction and maintenance of infrastructure for electric vehicles and electric vehicle charges 	<p>SDG 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.</p>

2.1.2 Eligible Social Projects

Project Category	Eligibility Criteria	Alignment with UN SDG Targets
<p>Affordable Basic Infrastructure</p> 	<ul style="list-style-type: none"> Financing construction and refurbishment/ maintenance of basic infrastructure, such as public sports facilities, public parks / green spaces Provide funds and construction support for community cultural conservation and restoration of cultural heritage, construction of cultural parks⁷ <p><i>Target population:</i> Individuals and families that do not have access to quality basic infrastructure and essential services</p>	<p>SDG 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p> <p>SDG 11.7: By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities</p> <p>SDG 11.4: Strengthen efforts to protect and safeguard the world's cultural and natural heritage</p>
<p>Access to Essential Services</p> 	<ul style="list-style-type: none"> Investments and expenditures in projects to develop medical and healthcare facilities in targeted communities for general public or vulnerable groups, including the elderly Investment and expenditures in projects to develop education and training facilities in targeted communities for general public or vulnerable groups 	<p>SDG 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</p>

⁷ Investment in the construction of cultural conservation facilities will not exceed 5% of the total issuance amount

 	<ul style="list-style-type: none"> • Renovation and maintenance of infrastructure for the disabled • Installation and incorporation of epidemic prevention design elements into buildings, such as temperature detection, ventilation with disinfection filters, and spray disinfection systems, and relevant R&D (limited to 5% of issuance amount) • 	<p>SDG 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</p> <p>SDG 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</p>
<p>COVID-19 related investment & expenditure⁸</p>	<ul style="list-style-type: none"> • Provide funding and community service support for the fight against COVID-19 	

2.1.3 Exclusion Criteria

In any case, eligible assets/projects exclude the type of activities listed in the International Finance Corporation (“IFC”) Exclusion List (2007)⁹:

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES
- Production or trade in weapons and munitions
- Production or trade in alcoholic beverages (excluding beer and wine)
- Production or trade in tobacco
- Gambling, casinos and equivalent enterprises
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Production or trade in fossil fuel

⁸ Covid-19 related investment and expenditure is at present is timebound until 31st December 2021. We expect that all urgent COVID-19 related funding will have concluded by this date. This will be reviewed dynamically by the Sustainable Finance Working Group

⁹ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/company-resources/ifcexclusionlist

2.2 Project Evaluation and Selection Process

Redco's Sustainability Taskforce is responsible for the management of the Framework and the compliance of all financing instruments issued under the Framework. The Sustainability Taskforce consists of senior representatives from the various departments, which are listed out in detail in Section 1.1.1 of the Framework.

The Sustainability Taskforce may be supplemented from time to time, or expanded, by the inclusion of representatives from other relevant teams.

For new issuances, the Product R&D Department will coordinate and compile the submission of identified projects for the Sustainability Taskforce's review. The Sustainability Taskforce will consider potential projects, assess their eligibility, and approve those that qualify as eligible projects.

For existing issuances, the Product R&D Department will coordinate and compile relevant information for the continued monitoring of the projects' eligibility and submit them for Sustainability Taskforce's review. The Sustainability Taskforce will review semi-annually the eligibility of those projects. Should a project be considered by Sustainability Taskforce to be no longer meeting the criteria detailed above, projects can be removed and/or substituted on a best effort basis, to ensure the full amount of proceeds are allocated to eligible projects.

2.3 Management of Proceeds

The net proceeds from each Sustainable Financing Instrument will be managed by Redco's Sustainable Finance Management Team which comprises personnel from Financial Management, Treasury Management, Internal Risk and Control and Compliance departments, and will be deposited in Redco's General Funding Account, pending allocation to Eligible Projects.

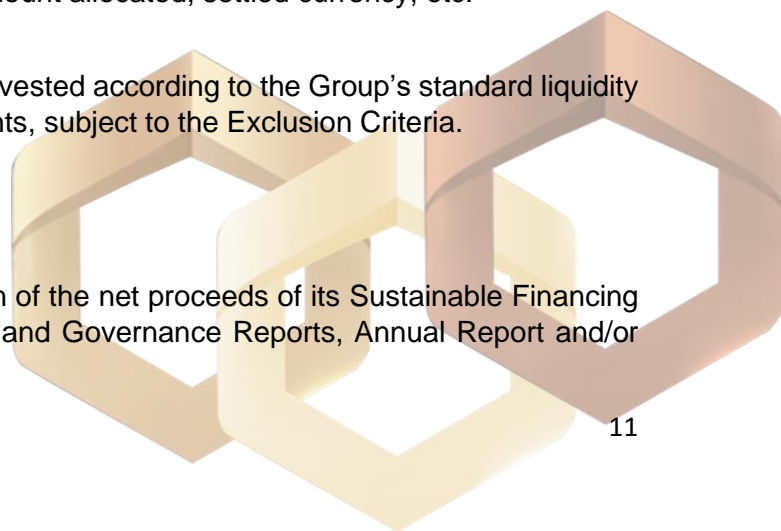
Redco will maintain a register to keep track of the use of proceeds for each Sustainable Financing Instrument, which will contain the following information:

- I. Sustainable Financing Instrument (Bond/Loan etc.) details: pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc.
- II. Allocation of Proceeds:
 - a. The Eligible Projects List, including for each Eligible Project, the Eligible Green or Social Project category, project description, project location, Group's ownership percentage, total project cost, amount allocated, settled currency, etc.
 - b. Amount of unallocated Proceeds

Any proceeds temporarily unallocated will be invested according to the Group's standard liquidity policy for short term time deposits or investments, subject to the Exclusion Criteria.

2.4 Reporting

Redco will provide information on the allocation of the net proceeds of its Sustainable Financing Instruments in Redco's Environmental, Social and Governance Reports, Annual Report and/or



website. Such information will be provided on an annual basis until all the net proceeds have been allocated. The information will contain at least the following details:

2.4.1 Allocation Reporting

- a. List of eligible green and social projects
- b. The amount of Proceeds allocated to each Eligible Green and Social Project category
- c. When possible, descriptions of the Eligible Green and Social Projects financed, such as project locations, amount allocated, etc.
- d. Selected examples of projects financed
- e. Amount of unallocated Proceeds

2.4.2 Impact Reporting

Where possible and subject to data availability, the Group will provide reporting on the environmental benefits of the Eligible Green and Social Projects potentially with the following impact indicators. In addition, calculation methodologies and key assumptions will be disclosed.

Eligible Project Categories	Impact Reporting Metrics
Green Project Categories	
Green Buildings	<ul style="list-style-type: none"> • Level of certification by property • Energy efficiency gains in MWh or % vs. baseline • Estimated avoided GHG emissions (tCO₂eq) • Annual energy savings (MWh pa)
Energy Efficiency	<ul style="list-style-type: none"> • Estimated avoided GHG emissions (tCO₂eq) • Expected energy saved (in MWh) • Percentage annual energy efficiency gain relative to an established baseline
Sustainable Water Management	<ul style="list-style-type: none"> • Amount of water recycled (litres) • Amount of water reused (litres) • Annual reduction in water consumption
Pollution Prevention and Control	<ul style="list-style-type: none"> • Waste prevented, minimised, reused or recycled (% or tonnes p.a.) • Estimated avoided GHG emissions from waste management (tCO₂eq) • Amount of waste separated and/or collected, and treated or disposed of (tonnes p.a. or % of total waste)
Renewable Energy	<ul style="list-style-type: none"> • Renewable energy purchased (MWh) • Renewable energy capacity added/rehabilitated (MWh pa) • Percentage of electricity consumption from renewable sources

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"> • Number of electric vehicle charging stations installed
Social Project Categories	
Affordable Basic Infrastructure	<ul style="list-style-type: none"> • Area of public sports facilities, public parks / green spaces constructed • Description and details of cultural facilities constructed, including information or case studies on how they fit into local community development and integration
Access to Essential Services	<ul style="list-style-type: none"> • Capacity of public schools / kindergartens and public hospitals / elderly care facilities constructed • Number and type of disabled facilities (including public disabled activities centre) constructed • Number of elderly care facilities constructed • Number and type of epidemic prevention design elements installed, R&D amounts
COVID-19 related investment & expenditure	<ul style="list-style-type: none"> • Investments or expenditures into COVID-19 relief efforts (Dollar amount)

3. External Review

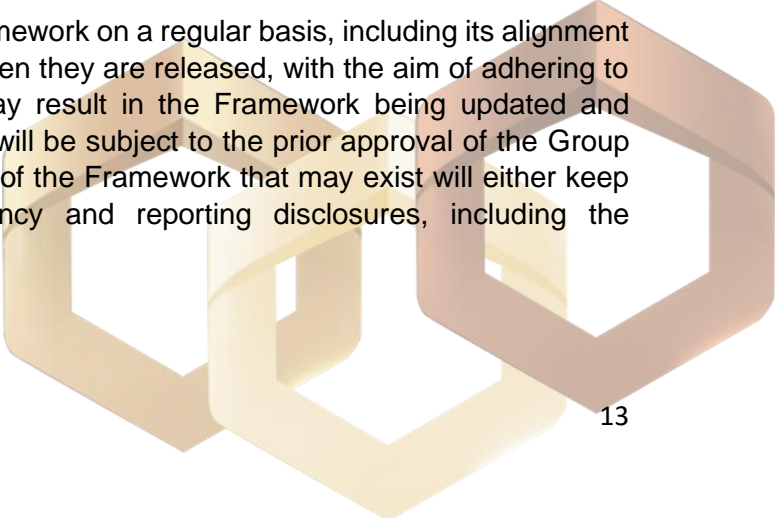
Redco has appointed Sustainalytics to assess this Sustainable Finance Framework and its alignment with the ICMA’s GBP/SBG/SBP (and LMA’s GLP) and issue a Second Party Opinion accordingly.

The Second Party Opinion will be made publicly available on the Group’s official website.

Redco may engage an independent third party to conduct post issuance assurance on the allocation of proceeds and impact reporting.

Amendments to this Framework

The Sustainability Taskforce will review the Framework on a regular basis, including its alignment to updated versions of the Principles as and when they are released, with the aim of adhering to best practices in the market. Such review may result in the Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of the Group and Sustainalytics. Any future updated version of the Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the



corresponding review by an external reviewer. The updated Framework, if any, will be published on Redco's website¹⁰.

¹⁰ <https://www.redco.cn/Investor/Default.aspx>

