

GREEN FINANCE REPORT

At HSH, we are committed to play a role in building a sustainable future in line with our *Sustainable Luxury Vision 2030 (Vision 2030)*. The renewed sustainability strategy places a deeper focus on business integration, placing sustainability at the heart of the company's business model and brand. This includes the incorporation of green finance in our overall financing strategy to further our contribution to a low-carbon economy. Since 2021, we secured sustainability-linked loans and green loans totaling to HK\$13.1 billion equivalent at the end of 2023.

Green Financing Transactions

Our Green Financing Framework (the "Framework" or "GFF") demonstrates how the group could, with Green Financing Transactions ("GFTs"), unlock capital and fund projects that would minimise our environmental impact and foster sustainable practices in support of the group's sustainability strategy. GFTs will include bonds, loans, and other forms of debt financing used to fund or refinance projects that fall within Eligible Projects Categories as defined in the Framework.

The following sections provide information on the allocation of net proceeds and impacts of its GFTs from 1 January 2023 to 31 December 2023. We will continue to report on this information on an annual basis in accordance with the Framework until full allocation of net proceeds.

Loan Type	Total Facility Amount (HKD)
Sustainability-linked Loan	6,247 million
Green Loan	6,885 million

Allocation of Proceeds for Green Loan (as of 31 December 2023)

	21 Avenue Kléber	The Peninsula London and Residences
Types of Loan	Green Loan	Green Loan
Allocated (HKD)	519 million	6,366 million
Earmarked (HKD)	–	–
Eligible Project Category	Green Building	Green Building
Financing Status	Existing facility in 2023	Refinanced facility in 2022

Green Project Updates



Project Name & Location	21 Avenue Kléber (Paris, France)
Gross Floor Area & Building Specifications	44,218 sq.m including 2 retail spaces and office spaces located directly adjacent to The Peninsula Paris, steps away from the Arc de Triomphe
Years of Operation	Acquired since 2013
Green Building Certification	<ul style="list-style-type: none"> • Excellent level for BREEAM 2009: Europe Commercial – Offices (Shell only) • Outstanding level for HQE (Haute Qualité Environnementale)
Eligible Project Category	Green Building ¹
Net Proceeds Allocated	HK\$519 million
Examples of Green Elements	<ul style="list-style-type: none"> • Passive building design to reduce energy consumption including enhanced insulation on roofing and facades, and automatic light dimming based on natural light • Enhanced monitoring and optimisation of energy consumption through the installation of electrical metering system connected to a centralised building management system (BMS) • Minimise water consumption through installation of water efficient equipment such as low-flow flushing and shower in sanitary facilities • Promote waste management and recovery activities to tenants by provision of waste sorting facilities throughout the building and inclusion of waste management best practice and recommendations in lease specifications • All materials used for renovation and in contact with indoor air (such as carpeting, wall painting) are devoid of carcinogenic particles and fibres harmful to human health • Diverse and non-invasive flora placed in all outdoor spaces to promote ecology and biodiversity

¹ Please refer to p.30 of the CRS Report for more details of our sustainable building approach.



Project Name & Location	The Peninsula London and Residences (London, U.K.)
Gross Floor Area & Building Specifications	61,689 sq.m 190-room hotel and 25 luxury Peninsula-branded residential apartments situated alongside the iconic Hyde Park Corner and Wellington Arch
Years of Operation	Soft opening in September 2023, grand opening to be expected in 2024
Green Building Certification	Pre-certified Excellent level for BREEAM 2011: New Construction version – hotel
Eligible Project Category	Green Building ²
Net Proceeds Allocated	HK\$6,366 million
Estimated Environmental Impact³	<ul style="list-style-type: none"> Estimated energy savings of more than 22% and 29% carbon emissions avoided compared to baseline⁴

² Please refer to p.8 of the CRS Report for sustainability examples of The Peninsula London and p.30 for more details of our sustainable building approach.

³ Estimated environmental impacts based on Simplified Building Energy Model (SBEM) calculations in Building Regulations UK Part L (BRUKL) Design stage report; carbon emissions calculated using emission factors from the UK government's *Standard Assessment Procedure (SAP) for energy rating of dwellings – SAP 2012 v 9.92*.

⁴ Based on notional building baseline from the UK government's *Approved Document L2A 2013 Edition with 2016 amendments*.