

Press Release

Hang Lung Advances Real Estate Decarbonization with First Mainland Project Using Nearly 100% Low Carbon Emissions Steel in its Building Structure

*Collaboration with Baosteel sets new benchmark for steel emissions data collection;
Plaza 66 Pavilion Extension in Shanghai achieves a 35% reduction from baseline steel emissions*

(Hong Kong and Shanghai, November 27, 2024) Spearheading the effort to decarbonize real estate across China, Hang Lung Properties Limited (SEHK stock code: 00101) (“the “Company” or “Hang Lung”) is using nearly 100% low carbon emissions steel for all above ground structural plates (to be manufactured into columns and beams) and reinforcing bars of its Pavilion Extension at its flagship Plaza 66 mall in Shanghai. This marks the first commercial real estate project in mainland China to incorporate low carbon emissions steel, sourced from Baoshan Iron & Steel Co., Ltd. (“Baosteel”), achieving a 35% reduction in the steel’s embodied carbon compared to conventional steel alternatives.

Real estate accounts for more than 38% of China’s total annual carbon dioxide emissions. In Hang Lung’s case, steel emissions accounted for approximately 40% of its total embodied carbon emissions in 2023, making steel decarbonization essential for achieving its goal of reducing its scope 3 greenhouse gas emissions. Hang Lung’s low carbon emissions steel transaction with Baosteel is an example of how leadership in real estate can help China reach its goal of carbon neutrality by 2060.

Baosteel will supply 1,171 tonnes of its BeyondECO® low carbon emissions structural steel and 325 tonnes of BeyondECO® low carbon emissions reinforcing bars for the Plaza 66 Pavilion Extension project, which is now underway and due for completion in 2026.

“The steel procurement in our Plaza 66 Pavilion Extension project is an exciting moment for Hang Lung,” said Mr. Adriel Chan, Chair of Hang Lung Properties. “Thanks to our collaboration with Baosteel, a leader in steel decarbonization in China, as well as with other industry partners, we have set a new benchmark for steel emissions reductions in the real estate sector. Hang Lung will continue to implement sustainable practices across our value chain, including the application of low carbon emissions steel on other development projects, such as Westlake 66 in Hangzhou.”



To meet Hang Lung's stringent low carbon emissions steel tender specifications for the project, the main contractor and Baosteel collaborated closely to provide accurate product-level carbon emissions data with the Company. This collaboration set a new industry standard for transparent, traceable and trusted emissions data. Baosteel calculated the products' carbon footprint through Baosteel intelligent Carbon Data platform using a lifecycle analysis model developed by Shanghai E-Carbon Digital Technology Co., Ltd. ("EC-Digital"). This data was verified by TÜV SÜD, a global third-party certification body.

Notes to Editors:

1. Hang Lung's Leadership in Decarbonization Commitments

Hang Lung was the first real estate company in mainland China and Hong Kong to obtain validation from the Science-Based Targets initiative (SBTi) for its net zero targets in accordance with SBTi's Net Zero Standard in December 2022.

Hang Lung was the first real estate company in mainland China and Hong Kong to join Climate Group's SteelZero initiative in December 2023, according to which the company commits to transitioning to using 50% lower emission steel by 2030 and setting a clear pathway to using 100% net zero steel by 2050.

2. BeyondECO®

BeyondECO® is Baosteel's groundbreaking mass-produced low carbon emissions steel product that reduces emissions through a combination of renewable energy and recycled steel scrap. The exact combination of these contributing factors varies from product to product. For example, the reinforcing bars used in the Plaza 66 Pavilion Extension project achieved carbon emission reduction of more than 50% through a combination of 100% renewable energy and 60% recycled scrap.



**Explainer: Low carbon emissions steel in Hang Lung's Plaza 66 Pavilion Extension project
Breakdown of steel emissions reductions by type of steel (above ground)**

Steel types		Total steel amount (t)	Amount of BeyondECO® low carbon emissions steel (t)	Baseline steel emissions factor (tCO ₂ e/t)**	BeyondECO® low carbon emissions steel emissions factor (tCO ₂ e/t)	Absolute emissions reduction (tCO ₂ e)
		(A)	(B)	(C)	(D)	(E) = (B) x [(C) - (D)]
Structural plates (to be manufactured into columns and beams)	Type 1	1,233	1,171	2.5	1.68*	960
Reinforcing bars	Type 2	385	325	2.0487	0.892	376
The project's total baseline steel emissions (tCO ₂ e) F1 = (A1) x (C1) + (A2) x (C2)						3,871
The project's total steel emissions (tCO ₂ e) F2 = F1 - E1 - E2						2,535
The project's steel emissions reduction ratio % = (F1 - F2)/F1 x 100%						35%

* This emissions factor is based on Hang Lung's specification through its main contractor to Baosteel that "carbon emissions should be less than 1.68 tCO₂ eq/t." The final emissions factor calculation will be subject to third-party verification.

** The baseline emissions factors for steel are derived from Baosteel's 2023 field data and have been verified by TÜV SÜD.



Photo Captions



A celebration ceremony to announce Baosteel’s BeyondECO® low carbon emissions reinforcing bars and Hang Lung’s first adoption of nearly 100% low carbon emissions steel was recently held at Wuhan Iron and Steel Co., Ltd. Bar Factory in Wuhan. The ceremony was attended by Mr. Liu Luchang, Deputy General Manager of Wuhan Iron and Steel Co., Ltd. (tenth right), Mr. Du Xiufeng, Factory Director of Wuhan Iron and Steel Co., Ltd. Bar Factory (fifth left) and Mr. John Haffner, Deputy Director – Sustainability, Hang Lung Properties Ltd. (ninth right), and other representatives of both organizations. In addition, representatives from Hubei Metallurgical Industry Association, Hubei Steel Structure Association, Hubei Society for Metals, CITIC General Institute of Architectural Design and Research Co., Ltd., Jiangsu Jianye Construction Group Co. Ltd. also attended the ceremony



The Pavilion Extension of Plaza 66 in Shanghai is the first real estate project to use nearly 100% low carbon emissions steel in its building structure. The low carbon emissions steel, sourced from Baosteel, will achieve a 35% reduction in embodied carbon compared to conventional steel alternatives

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About Hang Lung Properties

Hang Lung Properties Limited (SEHK stock code: 00101) creates compelling spaces that enrich lives. Headquartered in Hong Kong, Hang Lung Properties develops and manages a diversified portfolio of world-class properties in Hong Kong and the nine Mainland cities of Shanghai, Shenyang, Jinan, Wuxi, Tianjin, Dalian, Kunming, Wuhan and Hangzhou. With its luxury positioning under the “66” brand, the company’s Mainland portfolio has established its leading position as the “Pulse of the City.”

At Hang Lung Properties – **We Do It Well.**

For more information, please visit www.hanglung.com.



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