



Environmental Policy of China Overseas Land & Investment Ltd.

Environmental policy

China Overseas Land & Investment Ltd. (“COLI”, “the Company” or “we”) is committed to promoting sustainable development. In its progress towards the strategic goal of “becoming an exceptional global property development corporation”, the Company strives for the “Four Excellences” which offers “Good Products and Good Services” and demonstrates “Good Effectiveness and Good Citizenship”. We work hand in hand with working groups and business partners to uphold core values as well as the principles of ethical, social and environmental responsibilities.

Given the diversity of the Company’s business portfolio, this Policy will be implemented in line with various business conditions, and its implementation at relevant operating units will be monitored by relevant departments or senior manage appointed by the Company.

Sustainable buildings

A sustainable building refers to a structure which “adopts or takes into account appropriate design and operation standards of sustainable architecture”, with a passing grade or above under an internationally or locally recognised building environmental assessment standard. We strive to:

- Take into account green factors (including energy, water and emission management benefits), safety, health and climate risk resistance in the aspects of building design, construction and operation;
- Reference China’s “Assessment Standard for Green Building” in developing and timely updating the Company’s “Green Building Technical Manual”, “COOC Healthy Building Standard” and other related internal standards, including the indoor air quality standard which is commonly used in China, to serve as guidelines for the optimisation of project design as well as for the review and update of comprehensive evaluation indicators;
- Optimise the construction process with technologies and manage the environmental impact more effectively, such as applying building information modelling (BIM) from project planning to operation, to display project design in 3D and spot hidden defects, thereby identify in advance problems as well as to reduce abortive works, construction waste and safety risks, while helping to achieve higher efficiency and maintenance quality during the operation phase;
- Promote where appropriate new and existing properties to achieve sustainable building standards such as the China Green Building Label, BEAM Plus, LEED, BREEAM, WELL or others as appropriate, or improve energy efficiency through referencing the best



management practices in the certification systems; and

- Continuously explore opportunities in facility management to increase resource consumption efficiency, reduce greenhouse gas emissions and improve the health and well-being of building users.

Sustainable materials

Sustainable materials refer to “products with less adverse environmental and social impacts from procurement to the life cycle”, which also cover construction materials used in the Company’s development projects. We strive to:

- Determine the environmental and health standards of materials used in construction, interior design and decoration, aiming to:
 - Use materials with low environmental impact and harmless to the human body;
 - Include climate change considerations in the procurement process;
 - Use more energy-efficient products and materials;
- Monitor and manage the environmental impact of upstream and downstream activities in the supply chain, including:
 - Actively consider using building materials with sustainable or green certifications;
 - Consider the carbon emissions and environmental impact during material transportation, and give preference to raw materials produced locally or regionally within 500 kilometres of the project site in procurement;
 - Prudently consider waste disposal methods and prefer highly recyclable products in procurement; and include climate change considerations in the procurement process, and encourage the use of low-carbon and energy-efficient products and materials.

Climate change

Climate-related risks refer to (1) physical risks relating to the impacts of climate change and (2) transition risks relating to the low-carbon economy.¹ By means of evaluation measures on the corporate, regional and/or project level, we strive to:

- Consider possible physical risks on the Company’s assets, operations and supply chain stability arising from water resource pressure, hurricanes, floods and other extreme weather conditions in the process of project bidding, construction, design and operation;
- Pay constant attention to transition risks such as consumer choice, technology, and applicable laws; and
- Analyse the impacts of the above factors on the Company’s operations and finance, and formulate and take countermeasures.

¹ According to the Task Force on Climate-related Financial Disclosures (TCFD).



Energy and carbon emission management

- Reduce its carbon footprint through the establishment and implementation of long-term carbon emissions reduction targets;
- Adopt industry best practices to improve energy efficiency in its operations;
- Increase the ratio of renewable energy use in its buildings through on-site energy generation, purchase of renewable energy and other methods where applicable; and
- Encourage its employees, suppliers and customers to reduce energy consumption and carbon emissions in their daily operations wherever practicable.

Water resource management

- Reduce and properly manage waste and sewage discharge, including waste reduction at source, diversion, recycling and reuse;
- Stipulate that regional, local and/or project companies should include water-saving measures for projects under construction, and set up rainwater harvesting systems at construction sites where local conditions permit; and
- Take necessary measures of water conservation and environmental protection in new office projects, in terms of project design, facilities & equipment, daily operation and publicity to tenants.

Waste and sewage management

- Stipulate that regional, local and/or project companies should prepare management plan for hazardous and non-hazardous wastes and sewage for projects under construction;
- Construct domestic waste sorting and recycling systems in self-owned operation projects (including commercial projects such as office buildings, shopping malls and long-term rental apartments, as well as innovative business projects such as education, elderly care, logistics and industrial parks), and enhance the participation of owners, tenants and residents in order to improve the waste sorting rate in the community.

Protection of biodiversity and habitats

Biodiversity is defined as “the variety of life forms, including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part”. We strive to:

- Ensure each project prior to its acquisition goes through a risk assessment study during feasibility stage; analyse ecological and environmental risks relating to geology, topography, soil, environmental pollution and special protection; identify environmental risks of the project site and its surroundings; and conduct third-party environmental impact assessment, including biodiversity analysis of the land, based on the project



conditions;

- Minimise the adverse impact of our operations on biodiversity and ecosystems, including by protecting endangered species and promoting the sustainable use of natural resources important to biological diversity;
- Promote awareness of biodiversity and conservation issues among our employees, customers, suppliers and others with whom we do business; and
- Promote the restoration of ecosystems, where important to the areas in which our businesses operate.

Stakeholder engagement

Apart from improving our own operating model, we also strive to strengthen communication, coordination and cooperation with the Company's important stakeholders on environmental management and protection through different means, to create greater environmental performance.

Suppliers and contractors

- Energy use, carbon emissions and other environmental management regulations are covered in the "Supplier Code of Conduct" and other policies related to the management of suppliers (including those of centralised and non-centralised procurement) and contractors, who are required to take environmental management and protection measures as per relevant guidelines and commitments;
- Convene supplier conferences when timing is appropriate, to cover environmental management, and request key suppliers of centralised procurement to review and report on their environmental performance.
- Supervise contractors' efforts in properly managing air pollution, sewage, noise and waste (especially construction and demolition waste), so as to comply with relevant regulations and the Company standards; take appropriate rectification and penalty measures against violations of laws and regulations; and
- Encourage regional, local and/or project companies to strengthen the communication with contractors; improve the efficiency of energy management and resource utilisation; and minimise greenhouse gas emissions during construction.

Commercial building users

- Promote green and sustainable leasing, formulate and provide guidelines for commercial building tenants on sustainable renovation;
- Organize community welfare or promotion activities with the theme of environmental protection, and encourage tenants and the public to actively participate; and



- Enhance the participation of property users through intelligent building design and convenient online platforms.

Supervision and reporting

This Policy is monitored by COLI's Environmental, Social and Governance (ESG) Working Group, with related key impacts and improvement goals to be reported to the head of the Group.

The ESG Working Group takes the lead in monitoring the actual progress of departments relating to the property life cycle, i.e., property development, project management, construction, interior design, leasing, sales and corporate communications, which should timely communicate with and report to the head of the ESG Working Group.

Environmental and social risk factors relating to the property life cycle have been included in the "Risk Classification Table" for evaluation by the above-mentioned departments every six months.

The evaluation results will be reported to the Board of Directors. Emergency risks can be reported through the internal incident notification mechanism for timely response. COLI's initiatives on sustainable buildings will be presented in the Company's Annual Reports and Sustainability Reports.

Review of Policy

The Policy will be reviewed and fine-tuned regularly to stay abreast with best practices and changes in relevant guidelines and standards.

Enquiries

For enquiries about this Policy, please contact COLI's ESG Working Group via coli_esg@cohl.com.