

Sinochem HK Environmental Protection Policy

As the offshore financing platform and a key overseas asset holding company of Sinochem Holdings, Sinochem Hong Kong (Group) Company Limited (“Sinochem HK” or the “Company”) is guided by the goal of reducing pollution and carbon emissions, focusing on the prevention and control of pollutants, based on clean technology innovation, aiming at supplying green products, developing the ecological and environmental protection industry as the guarantee, and focusing on energy conservation and efficiency improvement as its commitments. The Company resolutely follows the path of green and low-carbon development.

Purpose

The Company has formulated and released this policy with a view to providing guidance for its employees and other stakeholders and to continually managing and reducing the environmental impact of business operations.

Scope of Application

This policy applies to all employees (including informal employees such as contractors, interns, and rehired retirees) of Sinochem Hong Kong (Group) Company Limited and its affiliates, and the Company encourages all business partners and other stakeholders, including business associates, related companies, contractors and suppliers, to comply with this policy.

Policy

1. Energy and Carbon Emissions Management

1.1 The Company strictly abides by the relevant requirements of laws and regulations, and wherever possible, adopts the industry best practices of energy conservation and emission reduction.

1.2 The Company sets and continues to achieve energy conservation and carbon emission reduction targets, develops and promotes advanced technologies, processes and systems, and strengthens energy consumption monitoring and analysis to continuously improve its energy efficiency performance and gradually reduce carbon emissions.

1.3 The Company takes energy efficiency into full consideration while conducting project investment, planning and design, construction, operation and maintenance operations.

1.4 The Company steps up innovative research and development, constructs buildings featuring ultra-low energy consumption or zero energy consumption, promotes smart energy, and actively makes exploratory efforts to build a “carbon neutrality” model for city operations.

1.5 The Company conducts energy conservation and emission reduction education activities for and proposes the relevant initiatives to employees, customers, tenants, suppliers and other stakeholders so as to help them enhance energy conservation awareness at work and in everyday lives.

2. Water Resources Management

2.1 The Company strictly abides by the relevant requirements of laws and regulations, and wherever possible, adopts the industry best practices of water conservation.

2.2 During project planning and design, construction, operation and maintenance activities, the Company develops and implements efficient water resources management measures to continually improve its water conservation performance.

2.3 If circumstances allow, the Company installs water-saving devices such as water recycling devices and rainwater collection systems to strengthen the recycling of water resources, and reduces and properly manages sewage discharge to ensure compliance with relevant emission requirements.

2.4 The Company conducts water conservation education activities for and proposes the relevant initiatives to employees, customers, tenants, suppliers and other stakeholders to help them enhance water conservation awareness, and encourages a responsible attitude toward water consumption.

3. Waste Management

3.1 The Company strictly abides by the relevant requirements of laws and regulations, sorts, stores, transports and disposes of waste, and appoints qualified third parties to deal with hazardous waste.

3.2 The Company makes best efforts to minimize the production of waste at source by following the principle of “reduction, recycling and harmless disposal”, and encourages waste reuse, recycling and recovery.

3.3 The Company sets up a domestic waste sorting and recycling system for self-owned operation projects, strengthens the participation of owners, tenants and residents, and strives to improve the waste sorting rate in communities.

4. Climate Change

4.1 Benchmarked against the industry best practices, the Company adopts the most advanced global standards, sets reasonable carbon emission reduction targets, lays out the path for achieving carbon neutrality, and carries out long-term implementation.

4.2 The Company is fully aware of the impact of physical and transformation risks caused by climate change on its business development, and has formulated and adopted active countermeasures.

4.3 The Company takes climate change factors into full consideration during project investment, planning and design, construction, operations, and product and material procurement activities, so as to enhance the resilience of buildings in the face of climate risks.

4.4 The Company actively promotes the development and application of green, low-carbon, energy-saving products and technologies, and has formulated green building goals to gradually increase the proportion of buildings certified for the green building label or certification.

4.5 The Company encourages its employees, suppliers, customers and other stakeholders to pay attention to climate change and reduce carbon emissions in everyday lives and business activities, and actively promotes green leasing.

5. Biodiversity Conservation

5.1 While conducting project investment, planning and design, construction, operation and maintenance operations, the Company takes into full consideration the impact on the surrounding ecological environment with a view to avoiding damage to biodiversity.

5.2 The Company avoids developing projects in national nature reserves or developing greenfield or farmland, and shall obtain the approvals from relevant authorities where necessary, comply with the requirements on greenfield and farmland development, and take effective measures to minimize the impact on the ecological environment.

6. Green Leasing

6.1 The Company works closely with commercial tenants to help them integrate sustainability practices into their operations throughout the lifecycle of their tenancies. Adhering to the green leasing concept of "recycling", it is clearly stipulated in the commercial property lease contract that if the leased space is clean and tidy, the tenant shall return the lease according to the current situation when the lease expires. Compared with the conventional practice in the HKSAR leasing market, which requires returning the property in its roughcast state, the current return model of property leasing can strengthen the reuse of resources, preserve existing decorations, equipment, furniture and other resources to the greatest extent, and avoid construction garbage generated by large-scale demolition and renovation.

6.2 Promote independent energy billing, that is, the separation of property fees and energy fees. Tenants pay for energy usage based on actual consumption, encouraging the use of energy-saving equipment and technology.

6.3 Meets regularly to develop and enhance the Company's tenant engagement efforts on sustainability.

7. Stakeholder Engagement

7.1 The Company actively carries out environmental protection education and activities, and encourages its employees, suppliers, contractors, tenants, customers and other stakeholders to actively fulfill their respective environmental responsibilities.

8. Investment Management Objectives

8.1 The Company sets green building targets for its property development and city operation subsidiary invested and managed:

- 100% of new residential and office buildings shall meet the basic requirements of Green Buildings of China (or equivalent internationally-recognised standards such as the LEED/BREEAM certification)
- From 2023 to 2025, obtain no less than 15 high-star-level green building certifications and labels
- Among the newly developed and self-owned hotel projects, 5A and Class A office buildings, and business complex projects, 100% shall obtain the one-star China Green Building Label (or equivalent internationally-recognised standards such as the LEED/ BREEAM certification)
- Application for high-star-level green building certifications and labels is encouraged, and the proportion of high-star-level green projects in development shall increase year by year

The Company will review and update this policy from time to time or at least once a year.

Should there be any discrepancy between Chinese and English versions, the Chinese version shall prevail.