

Vanke Group Environmental Protection Policy

1. Objective

The business operation activities of China Vanke Co., Ltd. (hereinafter referred to as “Vanke”) may have impacts on the environment, and this Policy aims to emphasise Vanke’s concepts and measures for environmental protection throughout the life cycle of its operations. Vanke is committed to implementing the environmental protection concepts and practice throughout the whole process of operation and management of each business, identifying environmental risks and impacts associated with its assets, setting environmental protection targets for continuous improvement of its environmental performance, and providing sufficient information and resources, so as to formulate, examine and regularly review the Company’s environmental protection policies and targets, and minimise the impact of the Company’s business on the environment. Conduct high-quality green and low-carbon development to lead a green and healthy life.

2. Scope of Application

This Policy applies to all business units and subsidiaries of Vanke, and business units may formulate their policies where applicable by referring to the principles of this Policy.

At the same time, we encourage all business partners, including partners, contractors and suppliers, to comply with this Policy.

3. Responsibilities

Vanke has established an ESG management structure with the Board as the highest decision-making level. The Board is responsible for determining the Company’s ESG management structure and management strategy to ensure the establishment of appropriate and effective ESG risk management and internal monitoring systems. The Board has integrated environmental protection management and climate change management into its ESG management.

4. Our Measures

● Green Building

- On the basis of compliance with national and industry standards such as the *Assessment Standard for Green Building*, Vanke popularises the *Vanke Guideline for Green Building Standards* within the Group, strictly controls the environmental protection management throughout the whole life cycle of buildings from design and construction to operation and maintenance, saves resources and minimises the negative impacts on the environment to the largest extent under the prerequisite of guaranteeing the quality, safety and other basic requirements.

- Attach importance to the R&D and innovation of green building technology, build a more open platform for R&D, transformation and implementation based on its own business, and work with high-quality R&D resources to promote technological innovation and application;
- Promote the use of green design standards that are superior to existing industry standards, and continuously improve the liveability of green buildings and resilience of buildings to climate change risks;
- Increase the certification rate of green building labels, develop high-star high-quality green buildings, and gradually increase the star-level standard of new buildings by stages and types.
- 100% of all new projects of the Group have reached the national green building evaluation standards, and encouragement is given to obtaining higher level certifications (e.g., the national green building two-star, three-star, LEED certification, and WELL certification).
- **Green Leasing:**
 - Actively keep in touch with tenants and consumers, promote green traveling, green offices, energy-efficient operations, and environmentally friendly renovation materials, and follow the environment protection treaties, stably deepen green leasing and promote “green and sustainable” concept in the whole cycle of project operation.
- **Green Construction:**
 - Strictly abide by the *Environmental Protection Law of the People’s Republic of China* and popularise the *Green Construction Code for Building Projects within the Group*;
 - During the construction, Vanke has fully considered the environment and the needs of surrounding residents, and reduced the impacts on air, water and land during the construction period through material saving and material resource utilisation, water saving and water resource utilisation, energy saving and utilisation, land saving and land resource protection, creating a clean, tidy, comfortable and safe construction environment.
- **Green Procurement**
 - Improve the procurement standards and policies in accordance with the *Green Procurement Guidelines of China’s Real Estate Industry*, comprehensively considering energy saving and environmental protection factors in various aspects, including product design, procurement, production, packaging, logistics, sales, service, recycling and reuse;
 - Consider the waste reduction performance of suppliers and products in the purchasing process and prioritise the use of recycled or upgraded materials;
 - Integrate biodiversity considerations into the procurement procedures and avoid biodiversity damage and natural environment degradation.
- **Waste Emissions: Reducing emissions, releases and wastes**

- Evaluate the impact of waste produced in the Company’s business activities, operations and production processes, and proactively implement the 3R Principle (reducing, reusing, and recycling) to minimise the environmental impact of waste generated from business activities, operations and production processes;
 - Properly dispose of all the waste, focus on the proper disposal of hazardous waste such as toner cartridges, printer cartridges and other small amounts of hazardous waste, set up a special recycling channel, and entrust a professional company with centralised waste classification;
 - Ensure transparent waste data available for setting, monitoring and regularly reviewing waste management targets;
 - For project construction, continue to promote the recyclable use of local building materials, refine the construction waste treatment process during construction, and maintain a high rate of waste recycling. The waste on the construction site is required to be classified and collected as harmful, harmless, recyclable, and non-recyclable. Construction waste should be collected, stacked, and promptly cleared. A dedicated warehouse is set up on site to store fine building materials in a closed manner. High-altitude waste is transported vertically. The construction unit should remove fences and other temporary facilities within the agreed time, comprehensively clean up the surrounding environment, and ensure a clean site after completion of project;
 - Promote the “*New Office “Zero” Sense – Zero-waste Office Action Guide*”, continuously carry out zero-waste culture cultivation and development activities, advocate and publicise zero-waste office, and enhance the awareness of “zero-waste office” of all employees;
 - Continuously explore and popularise new technologies and methods in terms of domestic waste management in urban and rural communities, and build “zero-waste” communities.
- **Increasing Energy Efficiency and Using Renewable Energy**
 - Carry out energy saving renovation for projects in operation, if conditions permit, to reduce operating energy consumption;
 - Make full use of renewable energy sources and take other measures where applicable to the project. Reduce greenhouse gas emissions by increasing the proportion of renewable energy sources used in the design;
 - Expand the use of renewable energy sources, and explore the development of energy storage and negative emission technology.
 - **Implement Environmental Management System**
 - Continuously upgrade the Company’s environmental management system, gradually expand the coverage of the internationally recognised ISO14001 environmental management system certification, and encourage our partners and suppliers to implement effective environmental management systems and the best management practice of the industry.

- **Create Environmental Protection Awareness of Internal and External Stakeholders**

In addition to improving its own operating model, Vanke also strives to enhance communication, coordination and cooperation with key stakeholders in terms of environmental management and protection by various means to create greater environmental benefits.

1. For Suppliers and Contractors:

- 1) Specifications on management of energy and carbon emission are included in the *Code of Conduct of Suppliers of Vanke Group, Skynet Action Management Measures* and other policies related to supplier and contractor management, requiring suppliers and contractors to commit themselves to environmental management and protection measures in accordance with the relevant guidelines;
- 2) Organise supplier conferences on environmental management at appropriate time, and require key suppliers of centralised procurement to review and report on their environmental protection performance;
- 3) Supervise contractors to properly manage the air, sewage, noise and waste (especially building and demolition waste) on the construction site in compliance with the regulations and the Company's standard requirements, and take appropriate corrective and punitive measures in case of violation of laws and regulations;
- 4) Promote each Group, city companies and/or project companies to strengthen communication with contractors in order to improve energy management and resource utilisation efficiency, and minimise greenhouse gas emissions in the construction process.

2. For Commercial Tenants

- 1) Promote green and sustainable leasing, and formulate and provide guidelines on sustainable decoration for tenants of large shopping centres;
- 2) Organize community public-welfare or promotional activities with the theme of environmental protection to encourage active participation by clients and the public;
- 3) Enhance participation by property users through intelligent architectural design and convenient online participation platform.

3. For Internal Group

- 1) Each business system regularly communicates and reports on the current project in the charge or the Company's environmental performance;
- 2) The ESG Committee of the Group will summarise and rectify any deficiencies in a timely manner, and will popularise good measures throughout the Group.

4. Third-party Supervision

The Group will engage a third-party professional consultant to distribute questionnaires to external stakeholders on an annual basis to communicate about environmental events under key concern and report the third-party monitoring results to the ESG Committee.

- **Regular Disclosure and Stakeholder Communication**

- Regularly monitor and publicly disclose the Company's performance in energy efficiency, carbon emissions, water resources, ecology and other environmental goals, consult with stakeholders on environmental issues, and accept the supervision by investors and the social public.

5. Monitoring and Regular Review of Policies

The Board will review and update this policy every three years or as appropriate.

6. Supplementary Policies

Vanke Group Water Resources Management Policy

Vanke Group Climate Change Policy