



# 中國建築國際集團有限公司

## CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 3311)**

**(the “Company”)**

### **SUSTAINABLE PROCUREMENT POLICY**

#### **(“Policy”)**

## **1. INTRODUCTION**

- 1.1 The Company understands that procurement activities have significant impact on the environment, society and economy, thus it actively promotes the use of goods and services produced in a sustainable manner, thereby reducing environmental footprints, improving efficiency and supporting the local economy, ensuring that business operations are in line with the Company’s sustainable development goals.
- 1.2 The Company is committed to strengthening cooperation with contractors, suppliers, and subcontractors, aiming to help improve their resilience and sustainability through responsible procurement practices, while reducing environmental and social risks in the supply chain, so as to enhance the competitiveness of the Company and its relevant partners.
- 1.3 The Company formulates “Sustainable Procurement Policy” based on actual procurement needs and market conditions, clarifying how the Company incorporate the principles of sustainable development into the procurement decision-making process and specific activities. The Policy is supplementary and should be adopted together with the Company’s “Sustainability Policy” and “Supplier Code of Conduct” to ensure that procurement activities are in line with the Company’s commitment to environmental management, social responsibility and economic prosperity.

## **2. SCOPE**

- 2.1 The provisions of the Policy apply to all directors, officers and employees of the Company and its wholly-owned subsidiaries (including full-time and part-time, collectively referred to as “employees”), and the basic conduct of affiliates or their representatives standard.
- 2.2 The Company encourages and expects customers to abide by the principles of the Policy, and requires major business partners, contractors, suppliers, and subcontractors to comply with the principles of the Policy and develop verifiable implementation plans where feasible.

### **3. GOALS**

- 3.1 Implement the United Nations Sustainable Development Goals (SDGs) 12 “promoting a green economy and ensuring sustainable consumption and production patterns” in the Company’s long-term supply chain management and environmental protection plans.
- 3.2 Clarify the Company’s procurement business standards and expectations to all major business partners, contractors, suppliers, and subcontractors, and work with them to reduce negative impact on the environment and society, and contribute to the overall sustainable development of the construction industry.

### **4. STRATEGIES AND MEASURES**

The Company is committed to continuously improving the performance of its supply chain management, so it will devote its efforts to the work of procurement by implementing and practicing the following strategies and measures:

- 4.1 Reduce the environmental footprint related to procurement processes:
  - Establish a database of low-carbon materials and products, and evaluate the procurement specifications of relevant products and services from time to time;
  - Prioritize the procurement of materials with relevant sustainable certifications, including but not limited to wood and paper certified by the Forest Stewardship Council or Programme for the Endorsement of Forest Certification Schemes;
  - Prohibit the purchase of toxic and hazardous products and reduce the use of disposables;
  - Prioritize local procurement where reasonably practicable;
  - Purchase strictly according to the number of site applications and engineering needs, in order to reduce waste of resources and related additional emissions.
- 4.2 Prioritize contractors, suppliers, and subcontractors who meet the following conditions:
  - Committed to supporting the United Nations Sustainable Development Goals (SDGs), and has formulated policies and codes of conduct related to sustainable development;
  - Establish an internationally recognized management system, including but not limited to ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System;

- Environmental awareness and carbon reduction potential, including developing green processes and technologies, and conducting product and service life cycle assessments;
- A registered contractor under the “Registered Specialist Trade Contractors Scheme” of the Construction Industry Council of Hong Kong.

4.3 Incorporate sustainability elements into management of contractors, suppliers, and subcontractors:

- Set sub-contractor environmental protection (such as energy consumption intensity, material loss rate, etc.) goals;
- Provide sustainable supply chain training and guidance for relevant employees, contractors, suppliers and subcontractors, and assist them in acquiring professional knowledge and skills related to sustainable procurement;
- Encourage contractors, suppliers and subcontractors to identify supply chain sustainability risks and formulate relevant risk management plans;
- Hold regular management meetings to evaluate the sustainable development performance of contractors, suppliers, and subcontractors and incorporate relevant performance into the scoring system.

**5. REGULATORY FRAMEWORK AND GOVERNANCE**

5.1 The Company’s sustainability committee sets management goals and indicators for sustainable procurement-related matters in a timely manner, and its operation management subcommittee is responsible for communicating with business units, providing consultation and guidance, and reviewing implementation.

5.2 The Company regards supply chain and procurement risks as part of the sustainable development risk management framework. The compliance and risks subcommittee of the sustainability committee leads the identification and assessment, and records the results and reports them at the regular meetings of the sustainability committee (if needed).

5.3 The procurement department of each business unit of the Company is responsible for the implementation of specific strategies and measures.

**6. REVIEW OF THE POLICY**

6.1 The Company regularly reviews the implementation of the Policy among employees, contractors, suppliers and subcontractors, and reviews and revises the Policy according to changes in regulation, market and industry to maintain its effectiveness.

- 6.2 The Policy is provided to all employees, and affiliated companies need to send it to applicable business partners, contractors, suppliers and subcontractors; or according to the Policy, formulate policies in line with the place of operation and send them to applicable business partners, contractors, suppliers and subcontractors, etc. Relevant feedback should be collected in a timely manner as a consideration for reviewing and revising the Policy.

*Note: The Policy is available on the Company's website. If there is any inconsistency between the English and Chinese versions of the Policy, the Chinese version shall prevail.*