



中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

SUSTAINABILITY POLICY **(REVISED EDITION)**

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I. Purpose

Dedicated to its core value of ‘Exercising Caution in Details and Implementation; Building a Strong Foundation to Seek Greater Success’, China State Construction International Holdings Limited (“CSCI” or the “Group”) strictly complies with laws, regulations and industry norms of its business locations, and is guided by seven approaches to sustainability, namely “Compliance, Green Development, People-oriented Approach, Safety First, Quality First, Supply Chain Management and Community Care”, to build a happy space for the public. The Group aims to strengthen internal communication based on the Sustainability Policy (the “Policy”), so as to ensure all employees understand the Group's management policies in all aspects of sustainable development. Based on such management policies, the Group establishes and implements work guidelines and specific measures which are in line with local conditions of operations.

II. Scope of Application

The Policy applies to all business operations of the Group, covering every stage including planning, design, construction and operation. All employees of the Group, including full-time, part-time and contract employees, shall comply with the Policy and other relevant content policies, guidelines and codes.

The associates, joint ventures and suppliers of the Group are encouraged to follow this policy in a way which is relevant to their business.

III. Basis

The United Nations Global Compact and the 2030 Agenda for Sustainable Development, the ISO 26000 Guidance on Social Responsibility, the Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities issued by State-owned Asset Supervision and Administration Commission of the State Council, the “Environmental, Social and Governance Reporting Guide” set out in Appendix 27 to the Listing Rules of the Main Board and “How to Prepare an ESG Report? - Environmental, Social and Governance Reporting Guidelines” of Hong Kong Stock Exchange.

IV. Organizational and Management Structure for Sustainability

CSCI attaches importance to sustainability and is one of the firsts to disclose sustainability performance on a voluntary basis in Hong Kong. In order to strengthen and promote the management and reporting of its sustainability practices, the Group has established a Sustainability Committee and a Sustainability Report Editorial Committee.

(I) Sustainability Committee

1. To strengthen the implementation of CSCI's sustainable development, the Group has established the Sustainability Committee (the "Committee") at the Board. The Committee is responsible for assisting the Board in promoting and managing the Group's sustainability issues, and formulating relevant policies and specific measures;
2. The chairman and members of the Committee shall be appointed by the Board and shall comprise at least five members, the majority of whom shall be independent non-executive directors. The secretary of the Committee shall be the company secretary or his delegate or such other person appointed by the chairman of the Committee;
3. The Committee has four sub-committees (the "Sub-committees") of the Sustainability Committee, which are responsible for operation management, human resources, compliance and risks, and social investment respectively. The Sub-committees are responsible for formulating relevant management policies and specific measures as well as implementing the sustainability policy conveyed or resolved by the Committee;
4. The Sub-committees are chaired by the members of the Committee; the Subcommittees comprise of divisional person-in-charge and departmental person-in-charge from companies of different business platforms;
5. The Committee and the Sub-committees shall meet at least twice a year and report regularly to the Board.

(II) Sustainability Report Editorial Committee

1. To strengthen CSCI's sustainability reporting, the Group has established the Sustainability Report Editorial Committee (the "Editorial Committee"). The Editorial Committee is responsible for assisting the Group's Sustainability Committee and the Sub-committees in studying, reviewing and drafting sustainability policies; coordinating the data collection and relevant work for sustainability reports; as well as assisting the Board in verifying and approving disclosures in sustainability reports;
2. The Editorial Committee shall be chaired by our financial controller and shall comprise the members of the subcommittees under the Sustainability Committee and relevant persons-in-charge of different business platforms;
3. The Editorial Committee shall meet at least once a year.

(III) Sustainability Working Group

1. To assist the Sustainability Committee and its Sub-committees in facilitating the implementation of sustainability policies and initiatives, and to support the Editorial Committee in report preparation, the Group has established the Sustainability Working Group (the “Working Group”);
2. The Working Group shall be chaired by the head of Corporate Financial Department and shall comprise persons-in-charge of sustainability-related work in each business platform and department. The secretary of the Working Group shall be the person responsible for sustainability-related work in Corporate Financial Department.
3. The Working Group shall i) assist the Sub-committees in formulating and implementing policies and initiatives on specific sustainability issues appropriate to the regions and business departments, in accordance with the Committee's strategies and advice; ii) be responsible for information collection, data consolidation, annual priority project screening, report content validation, and strive to ensure the accuracy and reliability of the information reported; and iii) assist in organizing and coordinating the annual stakeholder engagement.

V. Environmental Management Policy

CSCI strictly adheres to applicable environmental laws, regulations and industry norms. Upholding the spirit of ‘Green Development’, CSCI promotes green building and technological innovation to ensure the coordinated development between business and ecology. Companies in each operating area shall use the Group's Environmental Management Policy as guidance in developing working guidelines, monitoring mechanisms and specific measures covering three major areas of emissions, use of resources, and the environment and natural resources to reduce the negative impacts of operations on the environment.

(I) Emissions Management

In order to ensure proper management and reduce the negative impacts of operations on the environment, CSCI has established an emission data collection system. Based on such system, CSCI regularly monitors the performance of companies in different operating areas. CSCI has taken the following measures to assess the impact of the operations of companies in different operating areas on the environment in order to develop timely and accurate measures for improvement.

- Regulate the units to assess greenhouse gas emissions in each operating area by internationally recognized standards or equivalent local standards to establish a greenhouse gas emission information database;

- Establish a data collection system to monitor the emissions of waste, wastewater and other pollutants (other than greenhouse gases) in each operating area;
- Develop internal reporting rules to investigate and take appropriate action if abnormal emissions are found.

In addition, climate change has brought various impacts to the global business environment, such as high temperatures, droughts, floods and snowstorms, which not only affect the business of CSCI but also affect the construction and development of cities. CSCI believes that reducing greenhouse gas emissions, as well as identifying and managing the financial risks and opportunities associated with climate change, will help achieve green growth and the development of a low-carbon economy. Companies in each operating area shall assess climate change risks, standardise the identification of potential risks in all projects, and formulate corresponding management measures and targets to enhance resistance to climate change.

- Set short- and long-term carbon reduction targets;
- Consider the risks and opportunities brought by climate change and incorporate them into business decisions;
- Develop project budgets to prevent climate change risks as needed;
- Continuously focus on the impact of carbon emissions trading and other mechanisms on the business which are in line with government policies in operating areas.

During daily operations and construction processes, CSCI generates and discharges air pollutants, waste, noise and wastewater, which have a negative impact on the environment. The Group conducts daily monitoring through an emission data collection system. Companies in each operating area should develop internal guidelines for environmental impact management to ensure all air pollutants, wastes (including hazardous and non-hazardous), noise and wastewater are properly disposed according to local laws and regulations. Various improvement measures are also adopted continuously to reduce the amount generated; such measures include:

Air Pollutant Management

- Identify major air pollutant emission sources which are related to the business and review regularly the amount of air pollutants generated to formulate corresponding emissions reduction targets;
- Develop an air pollution prevention and management system to control air pollution from construction or production sources.

Waste Management

- Develop and implement a waste management system focusing on waste reduction at source;
- Adopt the '5R' principle (i.e. 'Replace', 'Reduce', 'Reuse', 'Recycle' and 'Reprocess') to manage waste;
- Review regularly the amount of hazardous and non-hazardous waste generated and recycled, and set targets for waste emission reduction.

Wastewater Management

- Develop a wastewater discharge management system to standardise and verify wastewater treatment methods;
- Set targets for reducing wastewater discharge through wastewater recycling;
- Invest in research and introduce more advanced wastewater recycling facilities to improve wastewater recycling rates.

Noise Management

- Formulate management measures to control construction noises;
- Regularly monitor construction noises in accordance with contracts or local legal requirements;
- Adopt noise mitigation measures to avoid nuisance to related parties.

(II) Resource Use Management

By actively improving resource efficiency, CSCI reduces the environmental impact of its operations. The Group has established a data collection system to monitor the consumption of resources including energy, water and raw materials, with the aim of regularly reviewing the consumption of resources. The Group has also formulated internal reporting rules. If

abnormal usage is found, the Group shall conduct investigations and take appropriate actions. Companies in each operating area shall establish a resource management system to standardise energy management in all aspects of operations, which includes:

- Regular reviews of energy and water use;
- Establish and develop specific saving measures to optimize the efficiency of energy and water use;
- Increase the purchase of equipment and products with energy-saving and water-saving certification, and introduce energy-saving and water-saving technologies and processes;
- Continue to strengthen employee awareness and establish a culture of efficient use of resources.

CSCI encourages construction teams to recycle construction materials. The Group actively establishes a set of inspection standards for recycled materials to ensure their quality and safety, and promote the green development of the industry. Companies in each operating area shall regularly review the consumption of raw materials and formulate objectives and specific measures to improve the use efficiency of raw materials.

(III) Management of Impacts on Environment and Natural Resources

CSCI endeavours to reduce the impact of its operations on the environment and natural resources and it focuses on the coordinated development between business and ecology.

- For participating in a project which is in an ecologically sensitive area, the Group shall reinforce the preliminary environmental assessment for projects under the principle of scientific site selection, proper management and timely restoration;
- Study and develop environmental analysis and environmental management plan throughout the project cycle to identify and reduce indirect and long-term impacts on the ecological environment;
- Review the design and construction plan to ensure the entire life cycle of a project complies with the environmental management plan;
- Establish an emergency system for environmental emergencies, clarify emergency organizations and responsibilities, and improve environmental monitoring and early warning system.
- Develop and promote green technology, and encourage companies in each operating area to increase the use of environmentally friendly products and renewable energy.

As a responsible materials user, CSCI also recognizes the negative impacts of deforestation and degradation on the ecological environment, climate change and the Rights of Indigenous Peoples, and promises to protect global forest resources through cooperation with suppliers and other related parties.

- Give priority to the use of recycled materials and reduce the use of virgin raw materials;
- Promote the use of paper and other forest products certified by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification Schemes (PEFC) to support responsible forest management;
- Increase the proportion of the chain of custody and due diligence system used in production and marketing to enhance the traceability of forestry products.

VI. Social Management Policy

CSCI is committed to complying with all applicable laws and regulations in each operating area and is dedicated to fulfilling its corporate social responsibility. Companies in each operating area shall implement the Group's social management policies by focusing on eight material aspects, i.e. 'employment', 'health and safety', 'development and training', 'labour standards', 'supply chain management', 'product responsibility', 'anticorruption' and 'community investment'; develop and improve work guidelines, monitoring systems and specific measures, so as to promote social responsibility work.

(I) Employment

CSCI prioritises the overall development of employees by incorporating employees' personal pursuit into long-term corporate development, focusing the tasks of human resources on 'selection, nurturing and utilisation of talents'. By taking the following measures, the Group is committed to creating an employment and training system with market competitiveness and protection of employees' rights and interests, and building a happy, secure and diversified workplace for employees to give full play to their self-worth.

Employment System

- Comply with all employment laws in the area of operation and protect employers and employees' interests with employment contracts;

- Develop an attendance management system based on legal working hours;
- Arrange working hours and rest days according to employment regulations, negotiate with employees if overtime is required and provide compensatory leave or overtime allowances according to the law;
- Provide employees with better salaries and benefits than those required by laws and regulations;
- Care for employees' well-being and promote work-life balance.

Promotion

- Provide employees with a comprehensive promotion ladder and broad spectrum of career development;
- Provide guidance to employees' development through the division of "technical" and "management" dual channels, so that employees' potential can be fully utilized;
- Implement performance management system, and employee reward and punishment system to encourage employees to make continuous improvement progress.

Diversity and Equal Opportunity

- Provide equal opportunities to employees in employment matters including but not limited to, recruitment, promotion and transfer, job assignments, rewards and benefits, training and development, and suspension of employment;
- Establish a diversified team, respect individual differences and take this as the driving force for the development of the Group.

Non-discrimination

- Adhere to the principle of equal opportunity in all employment matters and ensure employees are respected;
- Promote conventions such as the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination against Women, do not treat employees differently based on gender, disability, pregnancy, family status, race, color, religion, age, sexual orientation, nationality, union membership or other conditions;
- Develop reporting mechanisms for discrimination or harassment in the workplace and ensure all reports are handled fairly.

Communication Mechanism

- Establish a diversified communication mechanism to ensure employees can express their opinions and lodge complaints autonomously and honestly;
- Regularly review the results of the communication mechanism to ensure it works properly.

(II) Health and Safety

CSCI realizes the high security risks in the construction industry. Adhering to the approach 'safety first, prevention based and comprehensive governance' in its construction works to prevent injuries, serious incidents and prosecutions, the Group continuously reduces incidences of occupational injury, as well as adopts the following precautionary and control measures to build a safe and healthy workplace, so as to provide protection for employees, contractors, subcontractors and others who work for the Group:

- Identify potential health and safety risks in the workplace and establish a safety management system to ensure all operations follow occupational health laws;
- Continuously improve occupational health and safety with the goal of zero work injuries;
- Ensure that employees, contractors and subcontractors have adequate protective equipment and devices;
- Promote health and safety awareness among employees, contractors and subcontractors through education and training;
- Establish accident notification, and handling mechanisms to reduce and manage the impact and risk of accidents;
- Develop emergency plans for accidents and arrange regular drills to evaluate the effectiveness of the plans.

(III) Development and Training

CSCI emphasizes the development and cultivation of talents to support its business development. The Group fully supports employees' lifelong learning and self-enhancement, and provides comprehensive training and development plans for employees in an innovative manner, striving to form multiple paths for employees' comprehensive development.

- Provide systematic on-the-job and after-work training to allow employees to develop their personal potential;
- Appropriately use online learning and various knowledge sharing channels to reach more employees and achieve maximum learning results;

- Develop new courses regularly for employees according to business needs to meet current and future business development requirements;
- Regularly evaluate employees' performance, encourage employees to make progress, and strengthen team competitiveness;
- Offer training on change and innovation to employees in different positions to prepare them for unknown challenges;

(IV) Labour Standards

CSCI respects human rights, comply with international human rights conventions such as the Convention on the Rights of the Child and Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. The Group never allows the employment or use of child labour or forced labour in any part of the business, and requires employees and business partners to comply with appropriate preventive and remedial measures:

Child labour

- Verify job applicants' age during the recruitment process to ensure all hired employees are over the legal minimum working age;
- In case the Group discovers that child labour was hired by mistake, it must immediately cancel the contract, send him/her back to the guardian's place in the shortest possible time and bear all the expenses incurred during the process.

Forced labour

- Shall not directly participate in or indirectly support any form of forced labour, and ensure each employee works on a voluntary basis;
- Shall not collect deposits from new and existing employees or seize their identity documents;
- Respect the personal lifestyle of employees outside work and ensure they are free to leave work and dormitory areas after work;
- Ensure employees can resign according to employment contracts.

(V) Supply Chain Management

Suppliers and subcontractors play important roles in CSCI 's construction projects. The Group requires suppliers to strictly abide by business ethics and fulfill corporate social responsibility; to maintain communication with business partners to ensure they meet the Group's requirements in terms of quality, environment and safety standards; to work with the Group to build a supply chain with the goal of sustainable development. All suppliers must confirm in writing the following principles:

- Adhere to strict business ethics and pursue the highest standards of business ethics and integrity in business operations;
- Comply with relevant labour regulations, prohibit child labour and illegal labour, and protect the legitimate rights and interests of employees;
- Ensure that employees are not treated differently because of gender, disability, pregnancy, family status, race, color, religion, age, sexual orientation, nationality, union membership, or other reasons;
- Have in place health and safety management systems and standards, and ensure that employees have the relevant knowledge, skills and resources;
- Respect labour's basic human rights protection principles, including internationally recognized labour's basic human rights principles;
- Refuse to offer or accept any bribes and other improper benefits;
- Maintain fair trade and competition;
- Ensure there are no environmental violations such as pollution and damage to the ecological environment, practice energy and resource conservation, reduce emissions and waste, and give priority to environmental protection products when feasible.

To ensure effective supply chain management, the Group implements the following mechanisms:

- Assess the performance of the supply chain in terms of the environmental protection and social caring, and establish and implement relevant risk management mechanisms;

Give preference to those offering products or services that have a low negative impact on the environment when selecting suppliers;

- Establish and implement complaint mechanisms and ensure timely response and fair handling of all cases.

(VI) Product Responsibility

CSCI honours its promises in ensuring the quality of products strictly abides by local laws and regulations through continuous evaluation and improvement in its quality management system. During the entire process from the construction to the completion of projects, the Group identifies risks and opportunities, and formulates and takes necessary measures and actions to improve the quality requirements and quality management methods. It provides customers with quality services and products according to the principle of 'alright for one time, alright for all times'. The Group also ensures the health and safety of customers, maintains communications with external stakeholders through the constant release of accurate information, and is committed to protecting the personal data of customers, job applicants and employees.

Customer Health and Safety

- Establish a safety management system and implement standardized management to ensure every construction process meets safety standards;
- Perform risk analysis to identify and avoid potential risks in construction investment projects;
- Establish safety performance indicators and incorporate them into the performance assessment of the person in charge of the operating area.

Communication

- Employees must provide complete, accurate, adequate and timely information (including promotional materials and product labeling) to external stakeholders, including investors, customers and partner institutions;
- Require any promotional material and product label to be approved by the Group or its subsidiaries;
- Establish a remedial mechanism; if the promotional material and label are found to be inaccurate or misleading, the designated personnel must correct and replace them as soon as possible to protect the rights of the Group and consumers.
- Improve the complaint mechanism to ensure timely responses and fairness in all cases.

Privacy

The Group values the personal data of customers, job applicants and employees, and is committed to protecting customers' personal data and any employment-related personal data, ensuring that relevant data is collected, held, used and processed in a legal and prudent manner.

- The business departments and Human Resources Department of the Group and its subsidiaries are responsible for the management of personal data of customers and employees, including monitoring the management of archives by designated personnel, regularly reviewing the effectiveness of measures and proposing improvement plans;
- Provide specific guidance and training to employees to ensure they understand and comply with relevant regulations and internal measures.

Intellectual Property Rights

- Provide information managers with relevant training on using genuine software, and ensure that genuine software is used in every part of the operation;
- In the process of cooperation with an external institution, the terms of contract shall stipulate that services and products provided by the institution must not violate intellectual property rights;
- Protect the intellectual property rights of partners and comply with the confidentiality agreements and licensing systems entered by both parties (if applicable).

(VII) Anti-corruption

CSCI adopts a zero-tolerance policy against corruption, bribery, kickbacks, extortion, fraud, money laundering and all other ethical violations. The Group requires all employees to comply with anti-corruption laws and regulations of the country and the region in which it operates. In order to ensure the operation of all businesses adheres to the principles of high standards of ethics, transparency, responsibility and integrity, the Group has established procedures for reporting, investigating and handling suspected corruption cases to avoid any misconduct related to corruption.

- Establish anti-fraud and whistle-blowing systems, and ensure employees understand and follow relevant requirements and must not engage in any bribery or corruption activities;
- Adopt a zero-tolerance attitude towards any bribery or corruption activities. Employees are prohibited from soliciting, or receiving benefits from customers, suppliers or anyone who has business dealings with the Group, directly or through third parties in the name of the Group, and prohibit rebates and facilitation fees.;
- Comply with the supervision and reporting requirements related to money transactions. Employees must not conduct money laundering in any way, including falsifying documents or providing false accounts, receipts or invoices;
- Provide regular anti-corruption training to employees to ensure they are aware of relevant codes.
- Anyone can file a report in real name or anonymously.. The Group shall keep the identity of the

whistleblowers confidential;

- Record, evaluate and investigate all reported cases, and arrange investigations by the Human Resources Department which has appropriate qualifications and was not involved in any reported cases in the past;
- The Human Resources Department reports findings, actions taken and recommended follow-up plans to senior management.

VII. Community

CSCI believes its expertise, skills and work experience can contribute to the communities in which it operates. The Group continues to strengthen its connection with the communities, to understand the needs of residents, to support infrastructure projects and charity through various means including but not limited to volunteer services, cooperation with other groups, sponsorships and donations, and to support social development and public welfare programmes such as poverty alleviation, in order to bring positive impacts to the communities and the entire society in which it operates.

- Give play to its own knowledge and skills to participate in housing and infrastructure construction related to improvement of livelihoods;
- Promote education, support the enhancement of education quality and provide more educational channels, including but not limited to participating in the construction of China Overseas Hope Schools and environmental education promotion activities;
- Support innovation and encourage businesses to use new technologies to drive industry development;
- Organize corporate volunteer groups to encourage employees to participate in serving the communities;
- Collaborate with government, businesses, or non-governmental organizations to strengthen synergies through sharing resources, knowledge, and skills.

VIII. Reporting and Disclosure

In addition to the disclosure of work and performance of sustainability through internal communication channels, CSCI will also disclose the same information through the Group's website, annual report, sustainability report, etc., and actively share internally and externally its environmental protection experience by suitable means. The Group will also respond to various sustainability indexes and ratings in an appropriate manner so that stakeholders can independently assess the Group's environmental protection performance.

IX. Implementation and Revision

To ensure the implementation of the Policy, CSCI appointed the Sustainability Committee to monitor the implementation of the Policy and to ensure continuous communication with employees regarding the Policy. Based on factors such as business changes, regulatory requirements, stakeholder engagement and the effectiveness of environmental and social governance measures, the Committee should review the Policy at least once a year and make amendments where applicable. Any amendments to the Policy must be approved by the Board of Directors. All employees and relevant stakeholders should get written notice of the changes.