

Environmental Policy

Longfor Group implements the concept of sustainability in depth. While building a more livable, healthier and warmer city in a high-quality manner, Longfor Group works with employees, customers, suppliers and other stakeholders to raise environmental awareness, improve energy efficiency, reduce the impact of business development on the environment and build a better environment.

The Group formulated *Environmental Policy* to guide the implementation of the overall environmental management. The environmental policy covers such topics as green building, green procurement, water resources management, energy management, greenhouse gas emission reduction, waste management, and stakeholder engagement. Therefore, the policy is applicable among all the subsidiaries of Longfor Group.

The Group pledges to:

1. Abide by and strive to exceed the requirements of environmental laws and regulations while regularly reporting our environmental performance;
2. Set appropriate environmental management targets, including water resources management, energy management, greenhouse gas emission reduction, and waste management to actively improve environmental awareness among all parties, and gradually achieve those targets;
3. Establish a well-structured and systematic environmental management system and encourage the Group's subsidiaries to obtain ISO 14001 certifications;
4. Manage and monitor our environmental performance by using a well-structured and systematic environmental management system;
5. Fully consider such environmental factors as resource management and pollution prevention during project investment, design, development, construction, operation and material procurement, and strive to reduce the potential impact of business on the environment;
6. Effectively use natural resources and energy;
7. Produce less waste and sewage as much as possible by reusing and recycling waste and water resources;
8. Engage employees, customers, suppliers, and other stakeholders in environmental efforts, use publicity and promotion activities to raise stakeholders' environmental awareness and build a better environment;
9. Communicate with stakeholders regularly and continuously improve relevant measures.

Green building

Following the concept of "specific actions and comprehensive consideration", the Group practices resource-saving and emission reduction in the full life cycle of buildings and provides the public with healthy, well-suited and efficient construction products.

The Group pledges to:

1. Comply with national and local green building standards and regulations, and require all construction projects to be developed and operated in accordance with related standards and regulations;
2. All projects use appropriate green building design and operation standards to produce high resource efficiency and less impact on the environment in the full building life cycle of the project;
3. All new projects are constructed and operated as per the requirements of the green building certification system, and obtain green building certifications according to our overall requirements;
4. Work with the third-party contractor to promote green construction, in particular, resource conservation, dust control, waste control, noise control, sewage control, and green building materials during project planning, investigation, and construction;
5. Establish an environmental management system and environmental protection scheme to save energy, lower waste generation, mitigate noise and reduce the impact on air and water resources during the project operation and management;
6. Popularize environmental knowledge to owners, tenants, and other stakeholders and engage all parties in environmental protection matters.

Water resources management

The Group is concerned about global water resources and attaches great importance to water conservation and utilization. The Group is also committed to reducing the use of water resources and improving water reuse.

The Group pledges to:

1. Set appropriate water resources management targets and gradually achieve them;
2. Disclose the performance of water resources management to the public by announcing the progress achieved in water resources management targets every year;

3. Require business-specific groups to formulate water-saving actions for companies and projects in accordance with industry standards and best practices;
4. Set up a rainwater collecting system at the construction site if feasible, and set management requirements and standards for sewage treatment and sedimentation tank during project construction;
5. Deploy the intelligent energy management platform, record and monitor the water supply and drainage data in real time, and strictly control the water use and discharge during project operation;
6. Encourage employees to save water by turning off the faucet timely after using it to eliminate long overflowing water in the office;
7. Promote suppliers, customers, employees, and stakeholders to adopt water-saving measures during business development, save water, and respond to national or industrial initiatives;
8. The ESG Working Group will regularly review the Group's water resources management and related risks every year, report them to the ESG Committee and the Board of Directors, take timely corrective measures, learn from the past experience and promote the implementation to the whole Group.

Energy management and greenhouse gas emission reduction

The Group is well aware of the importance of protecting natural resources and notes the risks associated with ineffective management of greenhouse gas emissions. Thus, the Group is committed to improving the efficiency of renewable energy and reducing greenhouse gas emissions in regular business. We will strive to widely use renewable energy in developing businesses. Furthermore, we will regularly report the energy management and greenhouse gas reduction to stakeholders and assess the risks.

The Group pledges to:

1. We set short-term emission reduction targets based on the principle of scientific carbon reduction targets in the context of the national strategy of "2030 Carbon Peak, 2060 Carbon Neutral," with reference to leading international standards, and we continuously plan the implementation path, with net-zero emissions as the long-term target;
2. We will gradually build a series of green low-energy buildings, such as zero-energy buildings and ultra-low-energy buildings, through innovative research and development to reduce carbon emissions in the Group's value chain and lay the groundwork for the Group to achieve net-zero emissions;
3. Set reasonable targets of energy use and greenhouse gas emission reduction, and gradually achieve them;

4. Require business-specific groups to formulate energy management and greenhouse gas emission reduction regulations for companies and projects in accordance with industry standards and best practices;
5. Fully consider energy efficiency and greenhouse gas emission reduction, and use renewable energy whenever possible, such as solar energy and wind energy, during project investment, design, development, construction, operation, and material procurement;
6. Further promote an intelligent energy management platform and track energy efficiency data and performance in real time;
7. The ESG Working Group supervises and manages the greenhouse gas emission reduction actions and energy management of the whole Group, and regularly reports the implementation to the ESG Committee and the Board of Directors every year;
8. Publicize energy saving and greenhouse gas emission reduction to employees, customers, suppliers and other stakeholders, and improve their awareness.

Renewable energy program

The Group is committed to increasing the portion of renewable energy in business development to reduce greenhouse gas emissions.

The Group pledges to:

1. Set reasonable targets for the rise of renewable energy with reference to the best practice and international leading standards, and gradually achieve them;
2. Explore the use of renewable energy in virtual power purchase agreements and other such market instruments (such as renewable energy certificates or renewable obligation certificates (REC/ROC)), or other mechanisms to promote the wider use of renewable energy.

Waste management

The Group is committed to effectively reducing and managing waste, especially hazardous waste, in the process of business development.

The Group pledges to:

1. Set reasonable waste management targets and gradually achieve them;
2. Disclose the waste management performance to the public by announcing the progress achieved in the waste management targets every year;

3. Require business-specific groups to formulate waste management regulations for companies and projects in accordance with industry standards and best practices;
4. Give priority to recycled or re-manufactured waste materials when considering suppliers' or products' waste reduction in the process of purchasing;
5. Properly dispose of all wastes, especially the hazardous wastes, such as toner cartridges and printer cartridges are collected and classified in exclusive recycling channels and transferred to professional companies for centralized treatment;
6. Communicate waste management policies and requirements with employees, suppliers, partners and other stakeholders, and encourage employees, suppliers, tenants and customers to reduce waste generated in daily operations where feasible through reduction, reuse, recycling, and remanufacturing;
7. Each business department selects harmless substitutes for hazardous wastes if possible and minimizes the use of hazardous wastes if not possible. Hazardous wastes should be treated without any bio-safety risks in strict accordance with laws, regulations and environmental policies. The waste should be disposed of safely, and their use and treatment shall be recorded in detail.

Stakeholder engagement

In addition to improving the operation model, the Group also strives to increase communication, coordination and cooperation on environmental management and protection with important stakeholders in different ways, so as to produce greater environmental benefits.

The Group pledges to:

1. For suppliers and contractors:
 - 1) The *Supplier Code of Conduct* and other policies for supplier and contractor management cover environmental management norms such as energy and carbon emissions, and require suppliers (including those for centralized procurement and noncentralized procurement) and contractors to take environmental management and protection actions in accordance with standards;
 - 2) Timely hold supplier conferences on environmental management, and require key suppliers for centralized procurement to review and report their environmental performance;
 - 3) Supervise the contractors to properly manage the air, sewage, noise, and waste (especially wastes produced during construction and demolition) at the construction site to satisfy the requirements of laws and regulations and our standards. Appropriate rectification and punishments will be made in the event of non-compliance;

- 4) Encourage real estate groups, city-specific companies, and/or project-specific companies to communicate more with contractors, improve energy management and resource efficiency, and reduce greenhouse gas emissions during construction wherever possible.

2. For commercial building users:

- 1) Promote green and sustainable leasing, formulate and provide guidelines on sustainable decoration for commercial building users;
- 2) Organize community charity or promotion activities on environmental protection to engage customers and the public;
- 3) Engage property users through intelligent building design and an easy online engagement platform.

3. Within the Group:

- 1) Each business unit will communicate and report on the projects under its authority or their environmental performance every quarter and year;
- 2) The ESG Committee of the Group will timely summarize and correct shortcomings, and promote and apply best practices to the whole Group.

4. Third party supervision:

The Group will hire third-party professional consultants to send questionnaires to external stakeholders every year to communicate key environmental issues, and report their results to the ESG Committee.

The Board of Directors of the Group has approved and established the Environmental, Social, and Governance ("ESG") Committee ("ESG committee") to support and assist the Board of Directors to govern ESG issues. The Group will regularly review and improve *Environmental Policy* in due time to ensure our compliance with best practices and adaptation to changes in guidelines and standards.