

Sustainable Development Policy of Sino-Ocean Group

With deliberation on the practicality of sustainable development and operational management, as well as the prioritized considerations of stakeholders, Sino-Ocean Group has discussed and identified ESG-associated risks and opportunities as it continuously improves ESG strategies and policies. The Group has formulated the Sino-Ocean Group Sustainable Development Guidelines which identifies the Board of Directors as the top decision maker for sustainable development efforts, with the Sustainable Development Management Committee to represent the Board of Directors in day-to-day management, and the Sustainable Development Working Group to be responsible for implementation of ESG related initiatives, including those involving stakeholders. Sino-Ocean Group attaches great importance to the significant impact that ESG matters may impose on the company, and strengthens communication among all parties through information notification, seminars, dialogues and exchanges, industry conferences, performance releases and surveys. The Sino-Ocean Group Sustainable Development Guidelines specifies the ways for stakeholders to participate in the Group's sustainable development work, along with defined working methods of stakeholder identification, prioritization, as well as exchanges on results. In order to better meet the expectations of stakeholders, ESG topics of stakeholders' attention are collected and analyzed for importance at a frequency of not less than once every two years, and timely reports on the results of stakeholders' participation are submitted to the Board of Directors.

The Group has set up a sustainable development mailbox csr@sinooceangroup.com to ensure that all parties (including internal and external stakeholders) may participate in sustainable development affairs by providing opinions and suggestions in a timely manner.

I. Sino-Ocean Group Policy on Climate Change

Sino-Ocean Group lays emphasis on global warming, takes seriously the challenges and risks of climate change, supports sustainable development, and has incorporated fighting climate change into corporate management. In response to national directives of "Carbon Peaking and Carbon Neutrality" and the "14th Five-Year Plan", the Group has committed to taking actions to adapt to and mitigate the impact of climate change on its operation and society at large.

Sino-Ocean Group addresses climate change with the following measures:

- Setting Sino-Ocean “2050 Net Zero” Project and reasonable carbon emission targets, devising a roadmap to carbon neutrality, and implementing them on a long-term basis to attain Sino-Ocean's goal of "2050 Carbon Neutrality";
- Including climate change risks into its risk management system;
- Researching and developing more eco-friendly products and technologies, and reducing greenhouse gas emissions through healthy buildings and green buildings, and eco-friendly operation;
- Taking climate change factors into consideration in project investment, design, development, product and material procurement, and operation;
- Trying to use renewable energy to replace traditional energy to cut down unnecessary energy consumption;
- Encouraging employees, suppliers, customers and other stakeholders to reduce carbon emissions in their daily business production and life;
- Identifying and analyzing climate change risks and opportunities on a regular basis;
- Researching and seizing the opportunities brought by climate change, and introducing corresponding adjustment and improvement in terms of policy, law, technology and market.

This policy is updated every three years. It can be reviewed and updated as appropriate when necessary.

II. Sino-Ocean Group Energy Policy

Sino-Ocean Group promises to act with relevant stakeholders to jointly improve energy efficiency and lower energy consumption. Specific measures are as follows:

- Setting reasonable energy use targets and implement them on a long-term basis;
- Taking energy efficiency factors into consideration in project investment, development, design, construction, and operation;
- Increasing the use of renewable or alternative energy sources such as wind, solar and bioenergy;
- Putting in place an energy management and monitoring platform, so as to track energy efficiency performance in real time;
- Upgrading the lighting system, refrigerating machines and other equipment;
- Educating employees about energy conservation, and encouraging them to be more aware of energy conservation in work and life;

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III. Sino-Ocean Group Policy on Environmental Protection

Sino-Ocean Group promises to act with relevant stakeholders to jointly reduce or mitigate the impact on the environment, including biodiversity protection, pollution prevention, water resource conservation, reducing waste and raising environmental awareness. Specific measures are as follows:

- Setting reasonable environmental protection targets, including hazardous and non-hazardous waste reduction, water use efficiency and biodiversity protection, and implement them on a long-term basis;
- Taking environmental factors into consideration in project investment, development, design, construction and operation, including biodiversity protection, pollution prevention, water resource conservation and compliant use, forest and ecological protection;
- Utilizing resources in accordance with national laws and regulations, and minimizing the amount of waste and sewage by reusing, recycling and regenerating waste and water resources;
- Standardizing the collection and disposal management of hazardous waste, carry out classified storage, reasonable recycling or professional and compliant disposal; In terms of hazardous chemicals at the construction site, collect and store them separately, set clear sign and warning, and require the limits of harmful substances to ensure environmental safety and health.
- For sales centers, brand exhibition halls, reception rooms and other places, keeping the original design as much as possible, and reducing excessive waste caused by demolition and refurbishment;
- Avoiding carrying out business activities unrelated to ecological protection in and near important ecological protection areas (such as world heritage areas and protected areas on the IUCN Red List of Threatened Species) to ensure the integrity and effectiveness of habitat and biodiversity protection; Negative impacts will be avoided, minimized, restored and offset as far as possible when operating in close proximity to important biodiversity areas;
- Encouraging project companies to launch or participate in biodiversity conservation projects and activities, and work with stakeholders and partners to achieve ecological protection together;

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- Supporting the research and application of technologies related to waste reduction, water conservation and biodiversity;
 - Committing to actively communicate environmental-related issues with stakeholders, understand the environmental demands of all relevant parties, and advocate environmental responsibility to them.
 - Educating employees about environmental protection, and raising their environmental awareness in work and life;
 - Committing to disclose environmental issue management measures and performance annually.

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IV. Sino-Ocean Group Policy on Occupational Health and Safety Management

Sino-Ocean Group values the concept of “health”, and always puts health and safety first. The "Sino-Ocean Group Safety Work Implementation Measures" and other internal policies specify the responsibilities and normative requirements for the safety management system, safety risk management and control, accident hidden danger investigation, safety incident handling and investigation, safety education and training. The Group is committed to the following:

- Strictly abide by national and regional laws, guidelines and regulations on health and safety;
- Provide a safe and healthy working environment to ensure the health and safety of all employees (including full-time employees, labor dispatch employees, part-time employees, interns, business outsourcing personnel, etc.), customers, suppliers, partners and other related stakeholders;
- Ensure the physical and mental health and safety of related workers, organize various health activities and safety trainings towards employees and contractors, conduct daily health and safety management with its performance monitored;
- Identify, evaluate and manage business safety risks and hidden dangers, and conduct regular review and monitoring;
- Establish safety management targets, lower the rate of production safety accidents, and realize zero work-related deaths and zero significant safety accidents or more severe ones;
- Integrate and prepare various safety measures in advance. In case of health and safety emergencies, take timely action and handle them properly based on the emergency mechanism;
- Implement an accountability mechanism for safety accidents, actively promote occupational health and safety management and strengthen the sense of responsibility of management personnel; as well as link health and safety performance to performance evaluation and work compensation of relevant business unit executives and other responsible persons;
- Create a work culture that values health and safety;
- Inform suppliers, contractors and partners of this policy, and ask them to comply with the requirements accordingly;

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V. Sino-Ocean Group Policy on Green Procurement

Sino-Ocean Group cherishes natural resources, and is fully aware of the long-term impact and significance of sustainable procurement and sustainable consumption. Therefore, the Group spares no effort to prioritize green materials and healthy materials in procurement, and to select qualified suppliers to alleviate adverse impacts on the environment and the society.

In procurement, the following factors should be taken into account as appropriate:

- Minimize the use of raw materials and packaging materials in production;
- Minimize the consumption of energy and water resources;
- No toxicity or pollution to the human body and the environment;
- Have the capability of purification, absorption and health promotion;
- Convenient for recovery and recycling;
- Avoid or reduce the use of disposable materials or products;
- Give priority to products that have green or healthy material certification or meet relevant standards;

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VI. Sino-Ocean Group Policy on Human Rights

With “responsibility”, “sharing” and “health” as the core, Sino-Ocean Group has shaped a corporate culture featured by shouldering responsibility, working in solidarity, and pursuing stable growth. We work closely with all stakeholders and adhere to the principle of fully respecting and protecting the human rights of our partners, such as employees, customers, investors and suppliers in pursuit of sustainable business growth. This policy is formulated in light of relevant principles in the *Universal Declaration of Human Rights*, the *United Nations Guiding Principles on Business and Human Rights* and the *United Nations Sustainable Development Goals*. We promise to abide by the internationally recognized human rights stipulated in the *International Bill of Human Rights*, International Labor Organization (ILO) *Declaration on Fundamental Principles and Rights at Work*, as well as what is stated in relevant national laws and regulations. This policy applies to all employees and stakeholders of Sino-Ocean Group.

1. Diversity and inclusiveness

- We are committed to creating a diverse and inclusive working environment, and promise to include and embrace employees from different backgrounds in recruitment, entry, training, promotion and reward. Any discrimination based on factors such as gender, age, race, color, sexual orientation, nationality, ethnicity, birthplace and religion of candidates and employees is strictly forbidden.
- During the recruitment and promotion of personnel, we provide equal opportunities. Ability, performance and credentials will be taken into consideration, without any prejudice or differential treatment based on age and gender.

2. Employment relations

- The Group attaches great importance to labor-management relations, has signed the "Sino-Ocean Collective Labor Contract", formed a labor relationship and rights protection mechanism unique to Sino-Ocean, and established a normalized collective labor contract negotiation mechanism to protect the legitimate rights and interests of employees.
- Sino-Ocean Group observes relevant national laws and regulations in its employment system, including working hours, holidays, recruitment, dismissal, etc.

- The Group promises wages at or above the minimum wage standard required by laws and regulations, equal pay for equal work, and is committed to protecting the basic rights and interests of its employees.
 - In terms of entry physical examination, the Group strictly abides by the provisions of the Labor Law of the PRC, without any extra examination items that does not comply with the law.
 - The Group opposes child labor, forced labor, labor servitude, and human trafficking, and handles such violations in strict accordance with the law.
 - The Group takes a "zero tolerance" attitude towards any form of bullying, harassment and discrimination (including but not limited to gender and non-gender discrimination and harassment, racial discrimination, disability discrimination, discrimination during pregnancy or postpartum discrimination, etc.), and deals with violations strictly in accordance with the law and regulations, and provides training on relevant topics.
 - The Group implements special labor protection for groups such as female employees and disabled employees in accordance with the law, and safeguards and protects the legal rights and interests of the special workers.
 - We believe that only by realizing the personal value of our people can we create more value for the company. Therefore, we must fully protect the rights and interests of our employees, prioritize their safety and health, and foster talent growth through incentives, guidance and training.
 - Our employees have democratic rights and freedom of speech as permitted by the national Constitution and law. We respect their rights, support them in voicing their demands and opinions, and have set up a labor union as an appropriate channel of expression.
 - Employees have freedom of association. We respect all employees' this right and support them in joining social groups and organizations in accordance with the Chinese Constitution and laws.
3. Social relations
- We respect the rights of local residents and indigenous people affected by our business activities, and protect and respect cultural customs and diversity. We will identify relevant risk factors and reduce possible negative impacts.

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- We also respect the rights and interests of our suppliers and partners, and encourage them to abide by the principles and other contents mentioned in this policy, so as to work together towards better human rights protection.

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VII. Sino-Ocean Group Code of Conduct for Suppliers

Sino-Ocean Group believes that sustainable development requires joint efforts and win-win cooperation. Therefore, we have developed Sino-Ocean Group Code of Conduct for Suppliers (hereinafter referred to as the “Supplier Code”), which shall be agreed to, signed and observed by all contracted suppliers. We choose suppliers based on their integrity and reliability. Priority will be given to those who adopt sustainable development policies beneficial to the society and the environment, *ceteris paribus*. We require our suppliers to comply with the following Code of Conduct:

1. Compliance governance

- Suppliers must abide by all applicable laws and regulations when conducting business;
- Suppliers shall formulate anti-bribery and anti-corruption policies, code of conduct and relevant procedures to eliminate any form of bribery, corruption, fraud, abuse of power and waste, and ensure their strict implementation;
- Suppliers shall offer timely feedback on major conflicts of interest to ensure fair cooperation and safeguard the interests of both parties.

2. Environmental protection

- Suppliers shall adopt appropriate systems and management mechanisms to assess, measure and reduce the impact of their business operations on the environment;
- Suppliers shall take actions as appropriate to deliver better performance in energy use, carbon emissions, water use and waste disposal, etc.

3. Labor relations

- Children below the minimum working age shall not be employed;
- During recruitment, the decisive factor to be considered shall be the qualifications of candidates. Any unequal treatment or discrimination based on factors such as gender, race, nationality, age, marital status, children status, sexual orientation, religion and disabilities of employees are strictly forbidden.
- Suppliers shall not employ any form of forced labor, coerced labor or bonded labor;
- Suppliers shall resist any form of workplace bullying, harassment, corporal punishment and abusive behavior;

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- Suppliers shall sign labor contracts with all employees in accordance with local legislation and observe local codes of conduct as applicable;
 - Suppliers shall comply with the law of the People's Republic of China Ministry of Human Resources and Social Security in the minimum wage regulations; as well as pay wages to their employees on time, and shall not allow any delay of over one month;
 - Suppliers shall provide employees with holidays that meet the legal requirements based on specific local conditions;
 - Suppliers shall ensure their employees' rights and interests of freedom of association and negotiations, set up communication mechanisms and complaint procedures for employees to voice their demands and complaints to the managerial staff.
4. Health and safety
- Suppliers shall introduce health and safety policies and specify the implementation accordingly, so as to reduce the chance of injury or illness of employees and protect their health;
 - Suppliers shall ensure the staff at construction site having suitable work and living conditions;
 - Suppliers shall provide employees with training in site safety and relevant codes of practice, so that every employee can ensure the safety of themselves and their colleagues.
5. Suppliers and subcontractors
- Suppliers shall formulate the code of conduct that meets the requirements;
 - Suppliers shall pay remuneration to their own suppliers and subcontractors on time;
 - We encourage primary suppliers and contractors to pass on the principles and requirements of this policy, when conditions allow, to secondary suppliers, subcontractors and more partners, contributing to a sustainable supply chain.
6. Audit and supervision
- Suppliers shall provide relevant documents to Sino-Ocean Group and its authorized parties as proof of their compliance with this Code of Conduct, and allow Sino-Ocean Group and its authorized parties to audit their related products and services.

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7. We will give first consideration to cooperating with suppliers, who:
- Abide by all applicable laws and regulations related to environment, society and governance;
 - Strictly observe and promote Sino-Ocean Group's Code of Conduct for Suppliers;
 - Have developed their own sustainable development policies, supplier code of conduct or sustainable procurement policies;
 - Have obtained environmental, social and governance management system certification (for example, ISO 14001 for environmental management systems, OHSAS 18001 for occupational health and safety management systems and other equivalent management systems), or be able to provide environmentally friendly products and services.

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VIII. Sino-Ocean Group Policy on Community Management

Sino-Ocean Group recognizes that its operations are highly community-based and have varying degrees of influence on the neighboring communities. Therefore, in response to the UN Sustainable Development Goals 11 Sustainable Cities and Communities, we are committed to building communities that are harmonious, livable, diverse, inclusive, culturally distinct and dynamic so as to promote common and coordinated development of communities. Specific actions include:

1. Community-Relevant Risk Assessment

Throughout the whole process of project development, we need to reduce the negative impact on local communities to the least and take into consideration the needs of local residents and community development. These considerations include but are not limited to: population structure of both the host and neighboring communities, aging population, rights and interests of local residents, cultural diversity, customs, cultural heritages, biodiversity and etc.

2. Community Inclusion

- At the stages of construction design, planning and operation, we need to ensure that building designs, traffic and supporting facilities, design of public spaces, hi-tech application and digital communications, low-rent housing and affordable housing, affordable commercial can satisfy the needs of different groups' daily life and industrial development.
- We will continue to keep the lines of dialogue with communities open and hold regular talks with the communities. Through understanding the needs of communities, we will provide more targeted support so as to build a good relationship with the communities and advocate a healthy and sustainable life style.
- Sino-Ocean Group closely integrates its development with community development, takes advantage of the Sino-Ocean Charity Foundation as a leading platform for community charity programs and urges its employees to partake in charitable activities.

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IX. Sino-Ocean Group Code of Conduct on Integrity

Sino-Ocean Group, in line with relevant rules and regulations, is committed to carrying out business operations featuring law-abidance, compliance, transparency and integrity; conducting communication and cooperation with all relevant parties in accordance with the high business ethics and corporate management standards; and building sound corporate reputation and image. To this end, Sino-Ocean Group formulate this code of conduct and require all board directors, employees (including informal employees) and external stakeholders involved in business transactions with the Group to comply with the following principles and rules.

The Board is responsible for the Group's risk management and internal control systems and reviews their effectiveness. We have set up the Sino-Ocean Discipline Inspection Committee, Group Risk Management Center and risk management offices within each business unit and subsidiary.

In terms of developing internal rules, the Group has formulated four sets of rules for discipline inspection, namely, *The Sino-Ocean Group Holdings Limited Operating Rules of Discipline Inspection Committee*, *The Sino-Ocean Group Holdings Limited Rules and Procedures for the Meetings of Discipline Inspection Committee*, *The Sino-Ocean Group Holdings Limited Procedures for Case Investigation by Discipline Inspection Committee*, *The Sino-Ocean Group Holdings Limited Procedures for Management, Investigation and Handover by Discipline Inspection Committee and Risk Management Supervisory Groups of Clues of Discipline Violation*, and four sets of measures for supervision, namely, *The Sino-Ocean Group Holdings Limited Measures for Handling Employee Discipline Violation*, *The Sino-Ocean Group Holdings Limited Management Measures for Withdrawal*, *The Sino-Ocean Group Holdings Limited Working Management Measures for Supervising Case Investigation and Handling*, and *The Sino-Ocean Group Holdings Limited Working Management Measures for Whistle-blowing and Complaints*.

1. Ethics Policy and Integrity

Sino-Ocean Group promises to comply with relevant rules and regulations, firmly fight against corruption, combat extravagance and waste and act in accordance with the code of conduct of “Upholding Righteousness, Integrity and Self-Discipline, Simple Work

Style, and No Extravagance”. We prohibit corruption of any forms among board directors and employees. While promoting sound, sustainable and rapid corporate development, we build cooperative relations with our suppliers and other partners featuring mutual trust, mutual benefit, openness and transparency. To this end, we require that:

- all contracts signed shall contain integrity clauses;
- all the suppliers shall provide *Supplier Integrity Commitment Letter* when enlisted;
- mid-level and senior executives shall sign the *Sino-Ocean Group Holdings Limited Mid-Level and Senior Executive Self-Discipline Commitment Letter* at entry;
- and all employees (including informal employees) shall attend professional integrity training every year.

2. Anti-Unfair Competition Policy

Sino-Ocean Group promises to comply with all relevant anti-unfair competition laws and anti-monopoly laws to safeguard fair market competition. Any unfair competition practice that violates business ethics and disrupts market orders will be dealt with according to the relevant measures of our corporate supervision system. These behaviors include but are not limited to:

- participating in market price manipulation;
- bribing relevant institutions or people for business opportunity or competitive advantage;
- gaining or exchanging trade secrets and sensitive information that will impact fair competition;
- making up and spreading false information and other forms of defamation to damage competitors’ goodwill and reputation;
- imposing restrictions on or threatening clients and suppliers;
- using other illegitimate means to disrupt market order.

3. Principle for Supervision Case Investigation and Handling

In case of violating Sino-Ocean Group’s Code of Conduct on Integrity, in accordance with The Sino-Ocean Group Holdings Limited Working Management Measures for Supervising Case Investigation and Handling, the Group Risk Management Center is in charge of registering and accepting the clues of suspected employee discipline violation. In line with the supervision authority assigned on case-handling, the General Manager of Group Risk Management Center and the head of risk management at the

related business unit appoint members of the investigation work team to register and accept cases, investigate clues, hear the cases, review complaints, determine the nature of the cases and penalties. The subject persons will be informed of the decisions on discipline violation through corporate intranet, email and other channels.

4. The Group has separately formulated the Anti-fraud and Anti-bribery Policy, which details anti-fraud, anti-bribery, conflict of interests, and relationships with suppliers, contractors and customers, etc.
5. The Group has separately formulated the Whistleblowing Policy, which details the scope of whistleblowing, protection for whistleblowers, confidentiality, reporting channels, procedures for investigation, untruthful report, etc.
6. We promise to handle all cases that violate the code of conduct on integrity in accordance with The Sino-Ocean Group Holdings Limited Measures for Handling Employee Discipline Violation and prescribe relevant penalties according to the severity of the violation in the form of admonishments, warnings, serious warnings, demotions, unilateral termination of employment, etc.
7. We encourage and urge our suppliers, contractors and partners to identify with and follow the abovementioned code of conduct in business cooperation and contact so as to jointly build an orderly, harmonious, honest and transparent business environment.

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X. Sino-Ocean Group Policy on Board Diversity

Sino-Ocean Group recognizes and firmly believes that Board members diversity can greatly benefit corporate performance improvement. Therefore, the Board Diversity Policy aims at building and maintaining a diverse and inclusive membership within the Board.

- When determining the best composition of the Board, we will take into account multiple factors to ensure its diversity, including variety in gender, age, nationality, cultural background, education background, professional experience, skill, knowledge, industry and other experience, expertise, independence and terms of office.
- The Group also considers various factors based on its mode of business and specific needs on different occasions.
- The Nominations Committee will discuss quantifiable directorship diversity targets of the Board occasionally and make proposals to the Board of Directors.
- The Nominations Committee annually reviews the directorship of the Board in terms of its diversity and audit the implementation of this policy to ensure its effectiveness.

Sino-Ocean Group