



Yuexiu Property Company Limited Sustainable Procurement Policy

First Edition: July 2023

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1. Introduction

Yuexiu Property Company Limited ("Yuexiu Property") is committed to integrating the concept of sustainability into its operations and to fulfilling its responsibility for sustainable procurement by carrying out procurement activities that have the most favorable impacts on the environment, society and the economy while minimizing the adverse impacts throughout its life cycle. This Sustainable Procurement Policy and Yuexiu Property's Supplier Code of Conduct demonstrate our commitment to help achieve sustainable environmental, social and economic development in our procurement activities.

This policy applies to all business units of Yuexiu Property and all its subsidiaries, and we encourage all business partners, including partners, affiliates, contractors and suppliers to comply with this policy.

2. Responsible Procurement

1. Committing to reducing our environmental footprint by rationalizing our purchasing needs, reducing the demand for non-essential products and services, reducing the use of disposable products and encouraging reuse and recycling, and simplifying the packaging of corporate gifts as much as possible;
2. Prohibiting the use of toxic products and materials, avoiding the use of products and services that are harmful to health, purchasing products that are beneficial to physical and mental health, and giving preference to products with international health and environmental standards certification;
3. Minimizing the environmental impact of the life cycle of products and services by prioritizing locally produced products to reduce carbon emissions from transport, selecting equipment and machinery that help to reduce waste emissions and disposing of unusable materials and products in an environmentally friendly manner.

3. Incorporate Sustainability Principles into Selection of New Suppliers

Preference will be given to suppliers who meet the following criteria:

1. Fully comply with Yuexiu Property's Supplier Code of Conduct;
2. Comply with all applicable laws and regulations in the countries/regions in which it operates, as well as other environmental, social and governance related regulations and laws;

3. Adopt internationally recognized environmental, social and governance management systems such as ISO 14001 Environmental Management Systems, ISO 50001 Energy Management Systems, ISO 45001 Occupational Health and Safety Management Systems, ISO 9001 Quality Management Systems and other ISO standards;
4. Demonstrate commitment to sustainability.

4. Incorporate Sustainability Principles into Management of Suppliers

1. Communicate regularly with suppliers to promote sustainability principles and this policy;
2. Communicate regularly with suppliers to remind them to comply with Yuexiu Property's Supplier Code of Conduct;
3. Regularly assess suppliers' sustainability performance to ensure compliance and encourage continuous improvement;
4. Regularly review the behavior of suppliers to determine whether they may present any sustainability risks to the Group and take risk mitigation measures as appropriate.

5. Policy Review

This policy will be reviewed and refined periodically to ensure that it follows best practice and adapts to changes in relevant guidelines and standards.

We are keen to receive any suggestions regarding this policy. Please contact us by email at esg@yuexiuproperty.com.