

Vanke Group Climate Change Policy

1. Objective

As a pioneering enterprise concerned about climate change and green development, China Vanke Co., Ltd. (hereinafter referred to as “Vanke”) positively responds to the country’s “3060” commitment of “carbon peaking and carbon neutrality”, actively integrating climate change measures into the whole life cycle covering product design, materials procurement, project construction and operation, actively exploring the economic opportunities and challenges that climate change may bring to the enterprise, and adapting to and mitigating the impacts of climate change on its own business, so as to boost climate resilience.

2. Scope of Application

This Policy applies to all business units and subsidiaries which are under control of Vanke. And the business units may formulate their own policies where applicable. We encourage all business partners, including partners, contractors and suppliers, to comply with this Policy.

3. Structure and Management Responsibilities

Vanke has established an ESG management structure with the Board as the highest decision-making level. The Board is responsible for determining the Company’s ESG management structure and management strategy to ensure the establishment of appropriate and effective ESG risk management and internal monitoring systems. The Board has integrated climate change-related risks and opportunities into its ESG management.

- The highest decision-making level is the Board, whose major responsibilities include:
 - 1) Decide the climate change management structure and management strategy of the Company;
 - 2) Ensure the establishment of appropriate and effective climate change-related risk management and internal monitoring systems;
 - 3) Listen to the outcome of discussions on important climate change-related issues, and pay attention to the progress of climate change-related goals;
 - 4) Review and approve the Company’s reference to the Task Force on Climate-related Financial Disclosures report (“TCFD Report”).
- The management level is the ESG Working Committee, whose major responsibilities include:
 - 1) Decide the objectives, policies, and implementation approaches relating to climate change;
 - 2) Acknowledge the assessed and identified risks and opportunities relating to

- climate change;
- 3) Determine the management system and workflow relating to climate change;
 - 4) Decide on the work plan coping with climate change, and assess the completion of the work;
 - 5) Conduct preliminary examination of the TCFD Report, and submit it to the Board for review; and
 - 6) Manage the Company's other issues coping with climate change.
- The implementation level is the ESG Working Execution Team, whose major responsibilities include:
 - 1) Prepare the Company's annual TCFD Report;
 - 2) Assess and identify risks and opportunities relating to climate change;
 - 3) Assess the gap between the Company's climate change-related work and the two stock exchanges' standard requirements, and the advanced peer companies' excellent practices, make improvement plans, and promote their implementation;
 - 4) Implement annual work content according to climate change objectives; and
 - 5) Implement resolutions of and other tasks assigned by the ESG Working Committee.

4. Our Measures

- **Effective governance**
 - The climate change risk management shall be integrated into the responsibilities of ESG Working Committee, which shall report regularly to the Board on opportunities identified and risk management in addressing climate change.
- **Transparency management**
 - The Company's climate-related risks and opportunities, as well as measures to manage them, shall be disclosed publicly every year; and
 - Relevant objectives and progress under climate change issues shall be reviewed and disclosed on a regular basis.
- **Incorporate into operation management**

Comprehensive and effective management to cope with climate change shall be conducted, establishing relevant indicators and objectives such as total energy consumption, energy consumption density, total and density of greenhouse gas emissions, and renewable energy, and regularly analysing and reviewing progress of objectives; climate change-related opportunities and risks shall be analysed regularly, integrating climate change risks (include transition risks and physical risks) and opportunities into the Company's risk management system and business operation management processes and procedures.

 - The Company shall follow the country's "carbon peaking and carbon neutrality"

policy and scientific guiding principles, and through formulation and implementation of short-and medium-term carbon emission reduction targets, the Company aims to reach carbon peaking by 2030 and achieve carbon neutrality by 2060, thus becoming a forerunner of green development;

- o When planning the location and design of new projects and facilities, the Company shall take climate change into account and enhance climate-responsive design;
- o Active R&D and application of low carbon building materials shall be conducted;
- o The energy management on the operation site of each business segment shall be strengthened, including real estate development, commercial development and operation, property management and logistics warehousing, and the adoption of the industry's best practices shall be promoted to improve energy efficiency;
- o The Company shall encourage the procurement of green electricity, and increase the use of renewable energy through photovoltaic power generation, PEDF technology, and so on;
- o The Company shall encourage all employees, contractors, suppliers, clients, owners and tenants to minimise carbon emissions in their daily business activities; and
- o Climate change shall be considered in the procurement process, and the use of low or zero carbon and energy efficient products and materials shall be encouraged.

- **Regular assessment**

- o The Company shall regularly update climate risk analysis scenarios and conduct researches according to industry development, policy changes, regulatory requirements, etc., so as to effectively identify and assess financial and other risks and opportunities associated with climate change; and
- o The Company shall ensure that procedures and measures are already in place to prevent or minimise the damage from climate change, and make good use of opportunities that may arise.

- **Enhancement of climate resilience**

- o The Company shall promote zero-waste management, water resources management, soil remediation and so on, and carry out environmental protection and biodiversity conservation;
- o The Company shall provide pooling technologies for cities of carbon neutrality and be dedicated to building communities resilient to climate change, so as to better cope with the physical impacts of climate change; and
- o The Company shall explore clean energy, green building, carbon asset management, low-carbon transportation, resource recycling, sustainable lifestyle and other practices, and be dedicated to providing buildings, parks and communities with comprehensive low-carbon solutions ranging from planning to operation.

- **Exercise of influence**

The Company shall maintain cooperation with research institutes, colleges and universities, green financial institutions, international organisations, etc., and promote the establishment of industry management standards, technical standards and model cases.

5. Monitoring and Regular Review of Policies

The Board will review and update this Policy every three years or as appropriate.