

Shimao Group Code of Conduct for Suppliers

Shimao Group (the “Company”) chooses 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.*, such as:

- Giving priority to suppliers who have their own sustainability policies, supplier codes of conduct or sustainable procurement policies.
- Giving priority to suppliers who 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.

Shimao Group require our suppliers to comply with the following Code of Conduct:

1. Compliance with laws and regulations

- Suppliers must abide by all applicable laws and regulations when conducting business.

2. Environment

- Suppliers shall adopt appropriate systems and management mechanisms to assess, measure and reduce the environmental impact of their business operations.

3. Labor relations

- Suppliers shall not employ labor below the legal minimum working age. Employees must be at least 16 years old, except for trainees in recognized professional apprenticeship programs.
- Suppliers shall not employ any form of forced labor, coerced labor or bonded labor.
- During recruitment, the primary determinant to be considered shall be the qualifications of candidates. Discrimination against employees on the basis of gender, race, nationality, age, marital status, children status, sexual orientation, religion or physical disability is strictly forbidden.
- Suppliers shall sign labor contracts with all employees in accordance with local legislation, adhere to local statutory minimum wage codes of conduct as applicable, pay overtime compensation in accordance with the law and work within the statutory time limits.
- Suppliers shall set up appropriate communication mechanisms and grievance procedures for employees to voice their demands and complaints to the management.

4. Health and safety

- Suppliers shall develop health and safety policies and specify the operational procedures accordingly, to reduce the chance of injury or illness of employees and protect their health.
- Suppliers shall provide training in site safety and relevant codes of practice to employees to ensure the safety of themselves and their colleagues.

5. Suppliers and subcontractors

- Suppliers shall establish the code of conduct that meets their requirements.
- Suppliers shall pay compensation to their own suppliers and subcontractors on time.
- We encourage primary suppliers and contractors to pass on the principles and requirements of this policy to secondary suppliers, subcontractors and more partners as circumstances permit, contributing to a sustainable supply chain.

6. Bribery and Corruption

- Suppliers shall establish policies, codes of conduct and operational procedures to eliminate any form of bribery, corruption and fraud, and ensure strict enforcement.

7. Audit and supervision

- Suppliers shall provide Shimao Group with relevant documents to prove that they have complied with this Code of Conduct and allow Shimao Group to conduct audits of the relevant facilities and sites.

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