
Shimao Group Policy on Environmental Protection and Biodiversity

General Rules

Shimao Group (the “Company”) is committed to take various corresponding measures and join hands with related parties to promote resource conservation and pollution prevention. Assuming its due responsibility for environmental protection.

- Comply with national laws and regulations in resource utilization, waste reduction, reducing unnecessary travel, and water and energy conservation.
- Ensure responsible reuse, recycle or disposal of unavoidable waste and water resources.
- Establish measurable environmental management targets, including waste reduction, water efficiency, biodiversity conservation, etc., and ensure long term implementation.
- Take full account of environmental factors such as biodiversity conservation, pollution prevention, and water use in all aspects of company’s operations.
- Help to ensure that employees, suppliers and other third parties always comply with all our environmental and operational commitments in their work.
- Advocate and educate employees on environmental protection. Raise environmental awareness in work and life, and encourage regional groups to initiate activities such as energy saving, carbon reduction and biodiversity conservation

Environmental Protection Program

The Company’s environmental protection program consists of the following components:

- Clarification of roles and responsibilities.
- Keeping written records: Each organization within the Company is required to keep track of water, electricity and (gas) oil consumption. Regularly summarize and analyze the data for continuous improvement.
- Setting up environmental protection reference indicators: In absolute and per capita consumption during the reference period.
- Monitoring and reporting.

Resource Conservation Measures

Eliminate or reduce unnecessary water and energy usage at the source or during use, which includes but is not limited to:

- Artificial adjustment: Involved adjustments of workstations and working hours to avoid the extra lighting, computer equipment, air conditioning and other unnecessary power consumption caused by the scattering of workstations or overtime.
- Maintenance and facility management: Involved timely replacement of dripping faucets and repair of damaged bathroom leaks; timely repair of damaged switchgear; timely switch-off of lighting, computers, printers, projectors, air conditioners and other power-consuming equipment after work.
- Low-energy-consumption procurement: Including the procurement of energy-saving equipment and facilities that are more energy efficient or water efficient, while ensuring compliance with work requirements; implement paperless office through network, electronic, digital, and other technologies.
- Preservation of items: Including the reasonable and safe preservation of various fragile, moisture-prone and flammable items.
- Item recycling: Including recycling of various office stationery and activity-items; encouraging employees to bring their own drinking utensils and use second-hand paper.

Pollution Prevention Measures

The Company prohibits the storage of environmentally hazardous chemicals in office areas:

- Disposal of sewage and solid waste: The Company shall properly identify, monitor, control and treat sewage and solid waste generated during office and business operations prior to discharge or disposal.
- Company's management measures of solid waste generated during operations:
 1. Paper waste and cardboard, waste metal, plastic foam materials: depending on the degree of integrity, they would be recycled and reused within the company or be handed over to suppliers. Otherwise, would be sent, sorted, recycled, reused or disposed by waste recycling providers
 2. General/miscellaneous waste, including food waste, used batteries, etc.: The Company is equipped with garbage cans and is responsible for unified disposal. Used batteries are handed over to the Company for unified recycling and disposal.
- Exhaust emissions:
 1. The Company adopts a strict application and approval system for official vehicles, keeping detailed records of mileage and fuel consumption expenditures, and regularly summarizes and analyzes the data for continuous improvement.
 2. The Company indirectly reduces emissions via reducing unnecessary business outings and travels, as well as through reasonable transportation arrangements.

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