

## Climate Change Policy

Yuzhou Group Holdings Company Limited (“Yuzhou Group”, together with its subsidiaries, the “Group” or “we”) has proactively performed its social responsibilities as a corporate citizen with always adhering to the long-standing corporate spirit of “Building Ideal Homes with Painstaking Efforts” and the business philosophy of “Building Cities with Heart, Building Homes with Love”. We firmly believe that we are obliged to respond to the threats brought by global climate change against our business to ensure business sustainability. Meanwhile, we shall reduce our carbon emission by our operation and industry chain to slow down the climate change. All the administrative staff will identify and manage the risks and opportunities arising from climate change, and formulate strategies that are in line with global best practices, in order to take adequate measures to build climate change resilience and adapt to or mitigate the impacts of climate change on the business.

Yuzhou Group encourages the adoption of this policy by its associates and joint ventures.

### Policy implementation:

The policy of Yuzhou Group aims to:

#### Mitigation

- Monitor and minimize greenhouse gas emissions by our industry chain, establish and implement long-term carbon emission reduction objective, in order to reduce carbon footprints;
- Consider the impacts of climate change throughout the lifetime of the projects construction and management (including design, purchase, construction, operation and maintenance), encourage the usage of low-carbon and energy-saving products and materials, and increase the usage of renewable energy, in order to reduce carbon emissions;
- Encourage our employees, contractors and customers to minimize carbon emissions during their operation and daily activities;

#### Resilience

- Consider the impacts of climate change on the business and operation during the decision-making process, and incorporate the climate-related risks into our risk management and internal control system;
- Take climate change into account when planning the location and design of new projects and facilities;
- Evaluate the climate resilience of our projects, review potential climate-related risks, and try to adopt the low-carbon construction measures which can respond to climate change; and

- Explore the opportunity to use renewable energy in our projects when it is economical and feasible.

All the companies may seek for the technical assistance from the Sustainability Committee of the Board of Directors of Yuzhou Group and its subordinate Environmental Performance Working Group.

### **Review**

Yuzhou Group will regularly review this policy and update relevant contents when necessary.

In the event of discrepancy between the Chinese and English versions, the Chinese version shall prevail.

**Approved on November 27, 2020**

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