

Environmental Management Policy

Effective Date: January 1, 2018

Institutional Level: Group Level

Version Number: V1.0

Overview

KaiLong (defined as follows) attaches great importance to environmental protection and strictly abides by the environmental protection laws and regulations of the country or region where the business operates. Green concept is fully integrated into the design, construction or refurbishment and daily operations of KaiLong and it is committed to minimizing the environmental impact of its business activities and to operate the business in a way that promotes the sustainable use of natural resources.

Purpose and basis

In order to effectively guide and regulate the control of the environmental impacts of KaiLong's business activities, the *Environmental Management Policy* (hereinafter referred to as the "Policy") of KaiLong is formulated in accordance with the laws and regulations of the place of operation, combined with KaiLong's internal requirements and development plans. This Policy serves as a guiding document for KaiLong's environmental management and covers the environmental impacts most relevant to KaiLong's business activities, including climate change, energy, waste and water management, etc.

Applicability

This Policy applies to the related board of directors, management personnel, employees and consultants of KaiLong Holdings Limited and its affiliated companies, associated entities, assets/ funds under management and companies invested by the funds (collectively "KaiLong", "We" or "Our"), no matter in what form they work for KaiLong, be it full-time, part-time, consulting or ad-hoc (individually an "employee" and collectively "every employee").

This Policy took effect on January 1, 2018. Upon being effective, it will be announced in form of internal session, training (including new staff on-board training), e-mails, and be published at KaiLong's official website, etc. Every employee has the responsibility and obligation to study and learn about it. The compliance officers shall have the right to review this Policy every year after validation in accordance with the latest laws, regulations and internal policies of KaiLong, and make reasonable and necessary revisions and updates accordingly. Meanwhile, the updated version or amendments of this Policy shall be announced to every employee by e-mail.

Content

1. Climate Change

We are committed to actively adapting to climate change during the design, construction or renovation and daily operation, mitigating the impact of climate change on the business and effectively managing climate change risks.

Our policies:

- We continue to improve energy efficiency and reduce carbon emissions from energy consumption.
- We promote the use of renewable energy and expand the proportion of renewable energy.

- We communicate and encourage the low carbonization of employees, tenants, suppliers, contractors' business and daily lives.
- We fully consider the low carbon performance of the product during the procurement process.
- We incorporate considerations to mitigate the effects of climate change during the design, construction or renovation process.
- We promote the evaluation of climate change risks.
- We conduct greenhouse gases (GHG) emission management, collecting, analyzing and disclosing GHG emission data on a regular basis.
- We will enhance our resilience and improve our ability to absorb disturbances caused by existing and future climate change.
- We develop appropriate operational procedures and contingency plans to prevent and respond to extreme weather events caused by climate change.
- We regularly communicate with shareholders about KaiLong's climate change strategy and informs climate change risks.
- We review the climate change policy in due course.

2. Energy management

We are committed to managing energy consumption efficiently to improve energy efficiency in the design, construction or renovation and in daily operation.

Our policies:

- We incorporate the consideration of efficient energy use into the design, construction or renovation and daily operations.
- We actively consider renewable energy utilization and reducing carbon emission.
- We regularly communicate energy management policies with employees, tenants, suppliers and contractors, and regularly shares knowledge about energy management and energy saving to enhance their energy management and energy saving awareness.
- We monitor the operation status of energy consuming equipment and timely upgrade energy consuming equipment to improve energy efficiency.
- We actively promote advanced technology and management systems to improve energy management efficiency and energy performance.
- We fully consider the impact of energy efficiency in the procurement process.

- We regularly formulate energy consumption control plans, monitor energy management performance and review energy management policies in due course.

3. Waste management

We are committed to managing and reducing waste (includes hazardous and non-hazardous waste) of KaiLong properly and effectively in the design, construction or renovation and in daily operation, reducing the environmental impacts of wastes.

Our policies:

- We place waste sorting and collecting devices in the workplace and the commercial properties managed by KaiLong. We require employees to conduct waste sorting, and KaiLong encourages tenants, suppliers, contractors and customers and other partners to conduct waste sorting.
- We regularly communicate waste management policies with employees, tenants, suppliers, contractors and customers, and regularly conducts knowledge sharing related to waste management.
- We encourage employees, suppliers, contractors and tenants to reuse paper and promote paperless office.
- We consider reusable and recyclable materials in the design and procurement process and encourage the reduction of the use of disposable materials.
- The construction waste or disused devices generated in daily operation, renovation or disassembly of KaiLong shall follow the disposal policy of the operation place, and shall be disposed of by a professional third-party company and recycled as much as possible.
- We require contractors to set up construction waste signs on the construction or renovation site and place on-site waste sorting and storage facilities.
- We monitor waste management performance and review waste management policies in due course.

4. Water management

We are committed to effectively managing and reducing water consumption in the design, construction or renovation and in daily operation planning, developing, distributing and managing the optimum use of water resources.

Our policies:

- We incorporate the considerations of efficient water use into the design, construction or renovation and daily operations.
- We actively consider water recycling and reducing the consumption of fresh water.

- We regularly communicate water management policies with employees, tenants, suppliers and contractors, and regularly share knowledge about water management and water savings to enhance their water management and water saving awareness.
- We monitor the operation status of water related equipment, timely upgrade water consuming equipment, water saving equipment and pipeline equipment to improve energy efficiency.
- We actively promote advanced technology and management systems to improve water management efficiency and water performance.
- We fully consider the impact of water efficiency in the procurement process.
- We regularly formulate water consumption control plans, monitor water management performance, and review water management policies in due course.

5. Green building evaluation

We are committed to building green buildings and actively conducting green building evaluation for existing, redevelopment, renovation and decoration projects.

Our policies:

- For redevelopment and renovation project, we encourage to incorporate green building certification requirements and recommendations such as LEED-NC (LEED for New Construction), WELL, BEAM Plus into the design and construction phase of the project, and actively carry out green building certification.
- For the existing and decoration project, we will carry out sustainable operation and maintenance according to the requirements and recommendations such as LEED-EB (LEED for Existing Building), and actively carry out green building certification.

6. Green building materials

We are committed to adopting green, healthy and safe building materials to reduce the negative impact of the use of building materials on the environment and health.

Our policies:

- Adopting low-VOCs material to meet the requirements of green building rating, minimizing the impact of organic compounds in building materials on indoor air quality.
- It is forbidden to use harmful materials containing lead, asbestos, polychlorinated biphenyls and mercury in all building materials.