

**China Merchants Land Asset Management Co., Limited**  
**(as Manager of China Merchants Commercial Real**  
**Estate Investment Trust)**

**Green Procurement Policy**

## 1. Objective

China Merchants Commercial REIT (“**CMC REIT**”) believes in value of operating on the basis of a sustainable value chain. China Merchants Land Asset Management Co., Limited, as the manager of CMC REIT (the “**Manager**”), recognises that sustainable procurement is an opportunity to manage environmental and social risk in its supply chains, encourage innovation and strengthen relationships with critical suppliers. The Manager strives to minimise adverse environmental and social impacts when making procurement decisions and activities.

## 2. Scope

This Policy is applicable to the Manager and all managed assets under CMC REIT’s portfolio, managed by operations managers and property managers who has been delegated the functions of operations and lease management. We shall share this Policy to key stakeholders such as our tenants and major suppliers/contractors and encourage them to support relevant initiative.

## 3. Commitment and Approach

The Manager and CMC REIT should consider the following factors, where appropriate, during procurement process:

- Comply with all applicable laws and regulations;
- Require suppliers to comply with all relevant environmental and social regulations and standards;
- Prioritise the use of environmentally friendly materials (e.g., low-emitting VOC materials, FSC-certified wood-based materials and low embodied carbon materials etc.) when meeting our cost, quality, performance and durability requirements under fair competition;
- Minimize or eliminate toxic, environmentally harmful and biodiversity depletion products;
- Avoid and/or replace single-use disposable products with reusables or recyclables;
- Maximize products from well-managed sources and/or with a large percentage of recycled content;
  - Consider the recyclability of products so as to reduce waste;
  - Are durable and can be repaired;
  - Minimize or eliminate packaging;
  - Select products which contribute to the reduction of energy and water consumption as well as carbon emissions in order to mitigate climate change;
  - Consider potential health hazards during consumption of products;
  - Explore procurement from suppliers that support local economy or socially vulnerable groups;

- Conduct regular training sessions and feedback sessions with staffs and suppliers/contractors on sustainable procurement requirements and processes.

#### **4. Monitoring and Reporting**

The Manager and CMC REIT shall communicate this policy with all relevant stakeholders and encourage the suppliers to explore new green practices. Regularly reviews the procurement system and the list of procured items to ensure alignment with the green procurement approach. Requests that if a supplier is in breach of relevant environmental and social regulations and standards, a corrective plan should be formulated promptly to progress toward compliance; otherwise, the collaboration should be terminated.

#### **5. Review**

The ESG Working Group shall review this Policy to ensure the continuous relevance of this Policy to the needs of the Manager and CMC REIT and that this Policy reflects the current regulatory requirements and good governance practice, and shall discuss any amendment to this Policy that may be required and make recommendations to the Board for approval.

-THE END-