



HENDERSON LAND DEVELOPMENT COMPANY LIMITED

恒基兆業地產有限公司

Incorporated in Hong Kong with limited liability
(Stock Code : 12)

SUSTAINABLE PROCUREMENT POLICY

Purpose

Henderson Land Development Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”) recognises that sustainable procurement is fundamental to the construction and development process to manage environmental and social risks in its supply chains, promote innovation and strengthen relationships with the suppliers.

Commitment

The Group’s policy is to:

- pursue sustainable procurement and give favour to sustainable materials and products, such as low embodied carbon materials, low volatile organic compound materials, recyclable materials and rapidly renewable materials;
- ensure the prospective and existing suppliers are provided with and informed about the Group’s sustainable procurement policy and guidelines;
- establish a process to identify potential sustainability risks in the supply chains and develop an instruction manual to managing those risks;
- identify and develop a list of critical suppliers¹ considering the procurement value, volumes, criticality of component supply, non-substitutability, and other essential variable factors;
- establish a formal evaluation scheme and monitor the performance of the suppliers;
- include necessary and appropriate sustainability requirements in tender documents, supplier contracts and formal terms of engagement;
- request the suppliers to rectify any identified gaps or deficiencies and take appropriate corrective actions;
- continuing sustainability performance of the suppliers is considered in engagement, contract renewals and tenders;
- encourage the suppliers to adopt a best practice approach on sustainable development and a sustainable risk management plan; and
- grow and establish a long-term relationship with the suppliers sharing the same value of the Group in sustainable development.

Review of this Policy

The Company will review this Policy from time to time as appropriate, and in any event, once every three years.

¹ Critical suppliers are defined as suppliers delivering products and services that are influential to the Company’s competitive advantage, market success or survival.