



中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 3311)

SUSTAINABILITY COMMITTEE

TERMS OF REFERENCE

The board of directors (the “Board”) of China State Construction International Holdings Limited (the “Company”) has resolved to establish a Committee of the Board to be known as the Sustainability Committee (the “Committee”), and approved these Terms of Reference which set out the role, composition, authority, responsibilities and other matters concerning the Committee.

1. Role

- 1.1 The role of the Committee is to advise and make recommendations to the Board to assist it in its oversight role with respect to the establishment and monitoring of the Company’s environmental, health and safety, product quality, employment, community relations, supply chain, human right and other sustainability policies (collectively, the “Policies”), and the management of sustainability risks. The Committee’s mandate is to monitor the Company’s overall approach to sustainability. Specifically, the Committee monitors and oversees that the Company consistently exhibits and promotes ethical, transparent and responsible behaviour and meaningfully engages its stakeholders and communities.
- 1.2 In addition, the Committee is responsible for reviewing applicable legislation, regulations, government policies, frameworks and industry best practices with respect to sustainability that may impact on the Company’s business strategy and activities.

2. Composition

- 2.1 The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than five members. A majority of members should be independent.
- 2.2 The chairman of the Committee shall be appointed by the Board.
- 2.3 The composition of the Committee shall be reviewed annually by the Board to ensure an appropriate balance and representation of expertise and experience.

3. Meeting

3.1 Quorum and meeting procedures

3.1.1 A quorum of the Committee shall be two members.

3.1.2 In the absence of the Committee chairman, the remaining members present shall elect one of themselves to chair the meeting.

3.1.3 The company secretary of the Company or his delegate or such other person appointed by the chairman of the Committee shall be the secretary of the Committee (the “Secretary”).

3.2 Frequency of and attendance at meetings

3.2.1 Meetings shall be held not less than two times each year and at such other times required.

3.2.2 The chairman of the Board, the Committee chairman or two members of the Committee may request a meeting if they consider that one is necessary.

3.2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

3.3 Notice of meetings

3.3.1 Meetings of the Committee shall be called by the Secretary at the request of the Committee chairman.

3.3.2 Notice of meetings confirming the venue, time and date together with and agenda of items to be discussed, shall be given to all members of the Committee, any other person required to attend, at least 7 days before the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

3.4 Minutes of meetings

3.4.1 The Secretary shall ensure that a formal record of Committee proceedings and resolutions is maintained.

3.4.2 Following approval of the minutes of meetings by the chairman of the Committee, the minutes shall be circulated to all members of the Committee.

3.5 Proceedings of meetings of the Committee should be governed by the provisions contained in the Articles of Association of the Company.

4. Casting vote

In the case of an equality of votes, the chairman of the Committee shall have the casting vote.

5. Authority

The Committee shall have full authority and resources to investigate all matters falling within these Terms of Reference and accordingly, the Committee may:

- 5.1 obtain, at the Company's expense, any external independent professional or expert advice, as it considers necessary in connection with its purpose and, if required, secure the attendance of such advisors at its meetings;
- 5.2 have such direct access to the Group's resources as it may reasonably require including access to management;
- 5.3 oversee the provision of an induction programme following the appointment of members and determine the ongoing training and development of its members, taking into account individual requirements; and
- 5.4 delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.

6. Responsibilities

The Committee has the following responsibilities in support of the fulfilment of the sustainability-related objectives of the Company.

- 6.1 Sustainability goals, priorities and policies
 - 6.1.1 To assist the Board in providing direction on the sustainability priorities and goals and to overseeing strategies, policies and practices on sustainability matters of the Company and its subsidiaries (the "Group");
 - 6.1.2 To monitor and review emerging sustainability trends and issues, provide guidance on the development of the Group's sustainability vision in light of the same, and act as a sounding board on the management of current and emerging sustainability matters affecting the Group; and
 - 6.1.3 To monitor and review the Group's sustainability policies and practices to ensure that they remain relevant and fit for purpose and compliant with the applicable legal and regulatory requirements and international standards.

6.2 Sustainability risks

- 6.2.1 To advise the Board on the Group's risk appetite, tolerance and strategy with respect to sustainability risks;
- 6.2.2 To ensure potentially catastrophic sustainability related risks are appropriately captured and considered in the risk profile; and
- 6.2.3 To review at least annually periodic reports from management regarding a) identifying the Group's material sustainability risks, and b) setting out risk management strategies, controls and assurance applied to these risks.

6.3 Sustainability performance

- 6.3.1 To periodically review and monitor the Group's operations and practices are carried out in line with a) applicable international and jurisdictional laws, regulations, and policies, and b) the Group's sustainability goals, priorities and policies;
- 6.3.2 To review annually the sustainability targets and metrics against which the Group's sustainability performance can be evaluated;
- 6.3.3 To review the Group's performance in sustainability matters relative to the requirements of sustainability indexes and ratings, and the desirability of the Group's inclusion in those indexes;
- 6.3.4 To review annually the performance of the Group in achieving targets or key initiatives recommended by the following four sub-committees which are responsible for their respective aspects of sustainability:-
 - a) Operation Management;
 - b) Human Resources;
 - c) Social Investment; and
 - d) Compliance and Risks;
- 6.3.5 To oversee how the Group engages with its stakeholders and ensure that the appropriate communications policies are in place and working effectively to promote Group's relationship with its stakeholders; and
- 6.3.6 To annually assess, and make recommendations to the Remuneration Committee of the Company in relation to, the performance of the executive team as against the applicable metrics for the sustainability component of the incentive plans.

6.4 Sustainability reporting and assurance

6.4.1 To assess, review and recommend to the Board for approval both the annual Sustainability Report and other public documents related to sustainability matters; and

6.4.2 To approve the appointment, reappointment or removal of auditors to provide an independent limited assurance report over annual Sustainability Report and other public documents related to sustainability matters, and review and approve the proposed annual plan.

6.5 Other matters

To review or consider matters outside these Terms of Reference if required to do so by the Board.

7. *Reporting procedures*

7.1 The Committee shall report relevant matters of significance relating to sustainability to the Board through its chairman;

7.2 The Committee chairman (or another Committee member nominated by the Committee chairman) shall attend the annual meetings of the Company to respond to any shareholder's questions on the Committee's activities; and

7.3 The Committee members shall undertake a review of the Committee's performance and these Terms of Reference annually and, if necessary, make recommendations to the Board for approval.

8. *Approval*

Approved by the Board on 25 March 2020.