

绿城管理控股有限公司
GREENTOWN



2020
Environmental, Social and
Governance Report

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About This Report

- **Reporting Period**

This Environmental, Social and Governance Report (hereinafter referred to as the "Report") covers our environmental, social, and governance ("ESG") activities, performance and approach from January 1, 2020 to December 31, 2020. Part of the contents are extended to previous and following years.

- **Coverage**

The entities covered herein are consistent with those in our annual report. Environmental data include those from Greentown Management Holdings Company Limited and its subsidiaries¹.

- **Preparation Standard**

This Report follows the *Environmental, Social and Governance Reporting Guide* (ESG Reporting Guide) as set out in Appendix 27 of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* published in 2016 by Stock Exchange of Hong Kong Limited (HKSE). At the end of this report, Environmental, Social and Governance Reporting Guide Index is attached for readers to quickly search.

- **Source**

The qualitative and quantitative information used herein is obtained from the public information, internal documents, and relevant statistics of Greentown Management Holdings Company Limited and its subsidiaries.

- **Reference**

For convenience, "Greentown Management Holdings Company Limited and its subsidiaries" is also referred to as "Greentown Management", "the Company" or "we" in the Report. "Greentown China Holdings Limited" is also referred to as "Greentown China" herein.

- **Release**

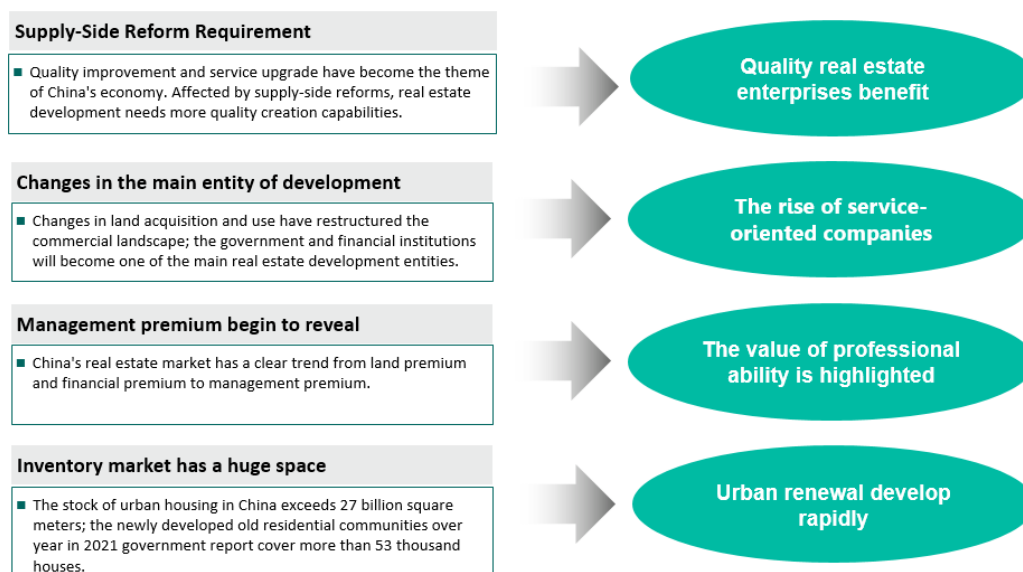
The online Report is available on the website of the Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the website of Greentown Management (<https://www.lcgjlt.com/>).

¹ Given that the company's main business is to provide project management services, the project company and related ESG data are not included in the scope of this report.

Greentown Management at a Glance

Industry Trend

Over the past 40 years of Reform and Opening-up, China's economy has continued to grow at a high speed. At the same time, the structural differentiation of China's economy is becoming more obvious, and economic development is entering a "New Normal." In China's Real Estate market, the separation of investment and development, a mature model in European and American countries, is also becoming the mainstream trend of the industry. More and more real estate companies are beginning to explore how to transform from a traditional development model driven by production factors such as land and capital to a high-quality development model driven by knowledge, value, and management.



According to statistics from China Index Academy, from 2017 to 2020, the scale of new domestic project management contracts has exploded. In the past four years, the total area of newly signed contracts reached 260 million square meters.

At the same time, all sectors of society are becoming more and more familiar with the real estate project management industry, and feel that the project management industry has improved the quality and level of development and construction by providing high-level professional services, reduced development and construction costs, and improved operation and management efficiency, created new value and laid a good foundation for the long-term development of the project management business.

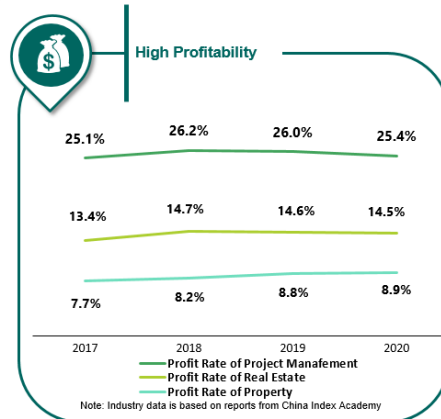
From the perspective of profit performance, the net profit rate of the project management industry is higher than that of the traditional real estate industry and the property industry. According to the calculation of the China Index Academy, the net profit rate of project management in 2020 is 25.4%, which is 10.9% higher than the traditional real estate industry and 16.5% higher than the property industry.

With the accelerated separation of investment and development, China's project management industry will usher in further development. According to the "China Real Estate Development Dynamic Model in the Middle and Long Term", the China Index Academy predicts that the industry share of the project management market will grow at an average annual rate of 21.3%. By 2025, the project management industry is expected to have a penetration rate of 12.5%, compared to a penetration rate of 4.8% in 2021. According to the European and American model, the project management business accounted for 20%-30%. If estimated with an average value of 25%, the penetration rate of the project management industry still has a space of 5.2 times.

Advantages of Asset-light Business Model



Rapid growth without the need for capital expenditure and debt financing



There is no debt, and the profit rate is much higher than that of traditional real estate companies

Business

During the rapid development of China's project management business, a number of representative project management companies have emerged. Among them, Greentown Management is China's first project management company with an asset-light business model. In July 2020, Greentown Management was listed on the Main Board of the Stock Exchange of Hong Kong (Stock Code: 9979. HK), becoming the first listed project management company in China, which is the most large-scale and influential asset-light development model leader. China Index Academy's research on China's project management market in 2020 shows that the construction area of newly contracted projects of the top five project management companies accounted for 56.8% of the market share, of which Greentown Management accounted for 22.3% of the market share, far ahead of other project management enterprises and ranks first in the industry.

Greentown Management is the pioneer and leading player in China's real estate project management industry with an asset-light business model. Greentown Management creates value for customers with customized solutions and high-quality services, offering comprehensive resources, brand value and industry standards through project management. The Company's segments include commercial project management, government project management and other services.

As the pioneer of the Project Management 4.0 system and "Greentown Star" standards, Greentown Management is committed to building an ecosystem for project owners, property owners, suppliers, employees and investors to "create value and share interests", collaboratively bringing quality life for all.

At the end of the reporting period, Greentown Management (by itself and through cooperation with business partners) owned 296 project management projects in 89 cities across 28 provinces.

Representative Projects of the Company



Hangzhou Nanhu Mingyue



Shijiazhuang Yuhe Shangyuan



Zhuhai Cuihu Xiangshan



Hangzhou Xixi International



Shanghai Chengyuan



Xi'an Yuyuan

Awards, Honors and Milestones



2017-2020
A Leading Enterprise in Real Estate Project Management Operation



2018-2019
China Influential Business Model Award



2020
Influential New Stock in China Capital Market



2020
No.1 among "Top 10 China Real Estate Project Management Companies for Excellence"



2020
National High-tech Enterprise



2017-2020
CSR Contribution Award



2017
Leading Company in China Real Estate Industry for Growth Value



2017
China Real Estate Business Model Annual Award



2020 Best Video Story of Employer Brand



2020 Extraordinary Employers Top 100



2020 Excellence in Growth and Win-Win Award



2020 Digital HRTech Awards (Enterprise Award)



2020 International Residential Architecture Awards – Residential Interior (Fuchun Rose Garden)



2018 Tien-yow Jeme Civil Engineering Prize – Gold Award for Outstanding Residential Community (Yiwu Hejuyuan Project)



2017 National Comfortable Housing Demonstration Project – Energy-saving and Environment-friendly Residence (Yiwu Anfu Jiayuan Project and Yiwu Beiyuan Hejuyuan Project)



2020 Jinhua construction project, landscaping project "shuanglong Cup" high quality project award (Jinhua Duohu Phase III, Huadu Dayuan, etc.)

Special Report

Facilitating Development and Delivering Love

Greentown Management develops urban renewal projects in partnership with land holding companies or governments by accumulating, integrating and applying its own quality resources, so as to achieve multi-win-win situation through urban renewal and upgrade when gaining benefits.

Among them, the government project management sector has always adhered to the mentality of being responsible for the city, the people and the history. From the beginning of its establishment, the construction of affordable housing to improve the living environment for the aborigines, to the construction of schools, hospitals and other public projects and further to the hardware renewal of the pilot schools of the rural boarding school program launched by Jack Ma. Greentown Management always contributes to the improvement of urban space forms and functions and constantly facilitates urban transformation and upgrading.

Greentown Management has more than 24 million square meters of affordable housing and schools under construction and already improved the living environment for 92,500 indigenous people; at the same time, according to public data, the cumulative area of Greentown project management sector has ranked first in the country.

In addition, in terms of the government project management projects, we acquired 1 national award, 6 provincial awards and 33 municipal rewards, widely recognized by the society.



Image: Hangzhou Haichao Yayuan Affordable Housing Project



Image: Yiwu Beiyuan He Ju Yuan won the "2018 Tien-yow Jeme Civil Engineering Prize – Gold Award for Outstanding Residential Community"

Seizing Opportunities and Building with Craftsmanship

Focusing on R&D

Greentown Management boasts an industrial system extensively covering the residential property, commercial property, city complex, public property and government-subsidized property. We are committed to seeking a balance between R&D innovations and engineering practice to pursue the best performance of our products and provide maximum comfort to our users.



(Wanhe Platform Zhuhe Town Phase XIV) Binary courtyard



(North Platform Shijiazhuang XishanYanlu) Innovative application of Chinese style sky villas



(Haining Shuiyue Yunlu and Group Product Center) Comprehensive design and verification BIM technology

Image: Greentown Management Product Innovation Award in 2020

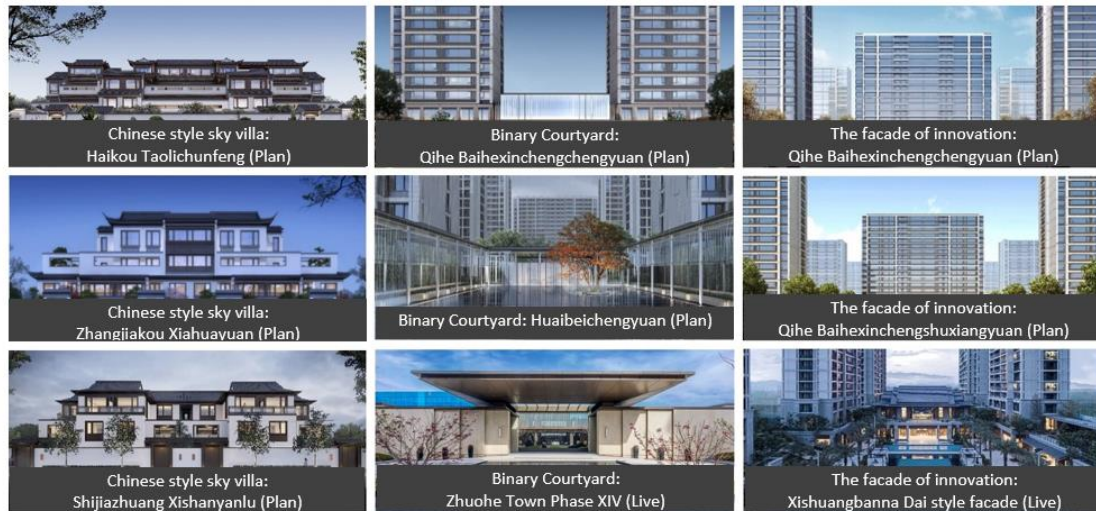


Image: Greentown Management Architectural Innovation and Landing in 2020

Win-Win Innovation and Facilitating Industry Development

➤ "Project Management +"

As a leader in the project management industry for government-invested projects, Greentown Management uses scale effects to share knowledge and value, participate in the establishment of industry standards, and promote industry standardization and development. The Company upgrade our business model and provide professional customized services based on government needs and actual project conditions, with the project management business as the core. The Company continue to evaluate industry market development trends, guide government investment project development models, and improve project development quality and operational efficiency.

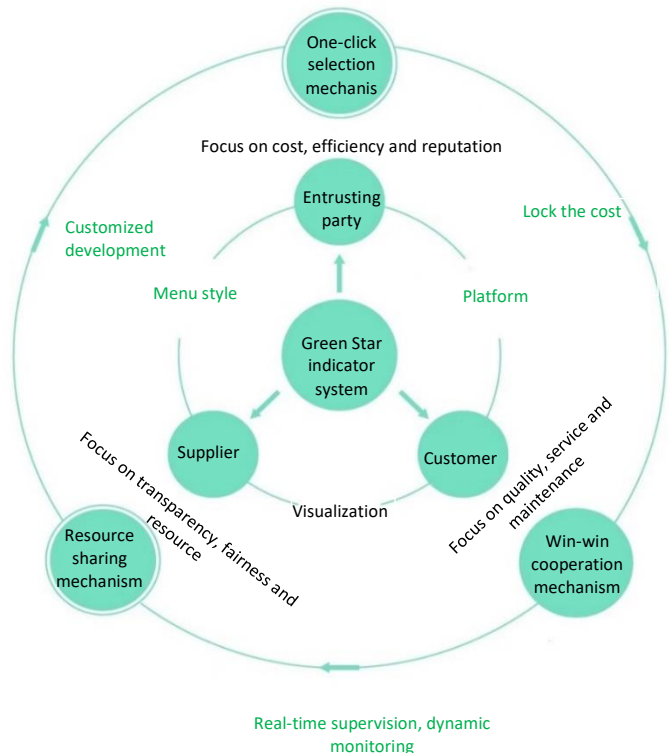


Image: Yiwu Liandu Building Super High-rise Project (Rendering)

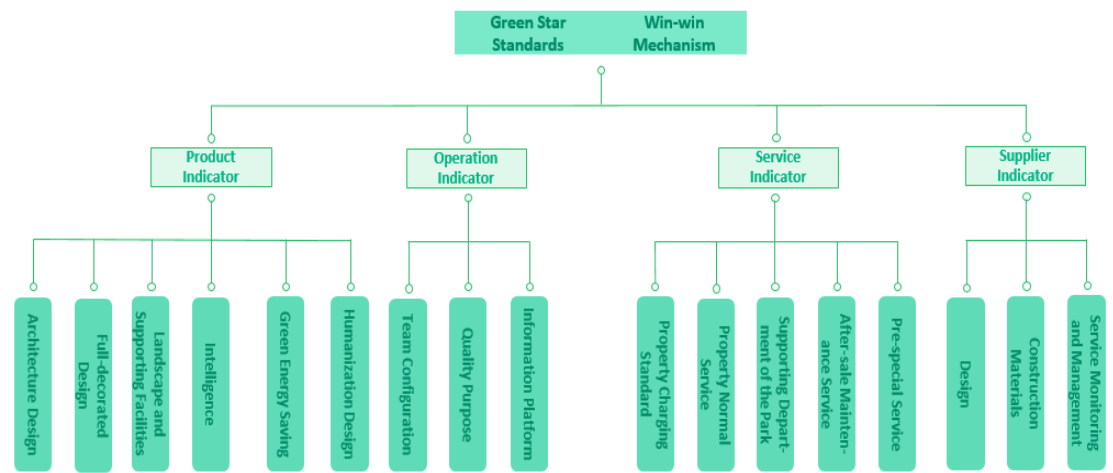
➤ Green Star Standards

With more than 20 years of experience in high-end real estate construction, Greentown Management creates "Green Star Standards" for the project management industry. Based on the core principles of mutual restraint and win-win cooperation, Green Star Standards aim to jointly build the industrial chain ecosystem and share resources and standardize the industry standards of the project management. In addition, Green Star Standards promote the progress of the industry by summarizing

and simplifying the complicated real estate construction process and have directly hit the pain points of the industry.



Through the project scoring, grading, certification system, Green Star Standards establish a general consensus of the industry standard in terms of the customization of development, cost control, product quality. The establishment of the Green Star Standard went through 10 rounds of demonstration, and it constructed an indicator system consisting of 4 major modules, 17 secondary indicators and 73 sub-items. Then 42 projects in the Greentown Management System were selected and revised after 3 rounds of tests. The Green Star Standard covers the four modules of product, operation, service and supplier of the front and rear end of project management in a comprehensive way, and is bound with the development cost and income, so as to make the management process and results clear and transparent, provide a scientific, reasonable and evidence-based standard system for all parties, and promote the progress of the industry.



People First

People are the great fortune of Greentown Management and make important contributions to the sustainable development of the Company. Therefore, the Company always adheres to a diversified, harmonious and open outlook on talent, complied with relevant labor laws and regulations, and internally set up clear rules and regulations to regularize the recruitment, promotion and welfare of employees so as to protect their legitimate rights and interests. The Company also actively provided appropriate training for employees, planned reasonable career development paths, and actively practiced employee care.

Greentown Management provided employees with challenging jobs, perfect training system, sustainable career development and comprehensive welfare protection, giving them adequate attention and care. For a series of continuous practices, Greentown Management was awarded SHL Best Practice in Talent Mobility Award in 2020.

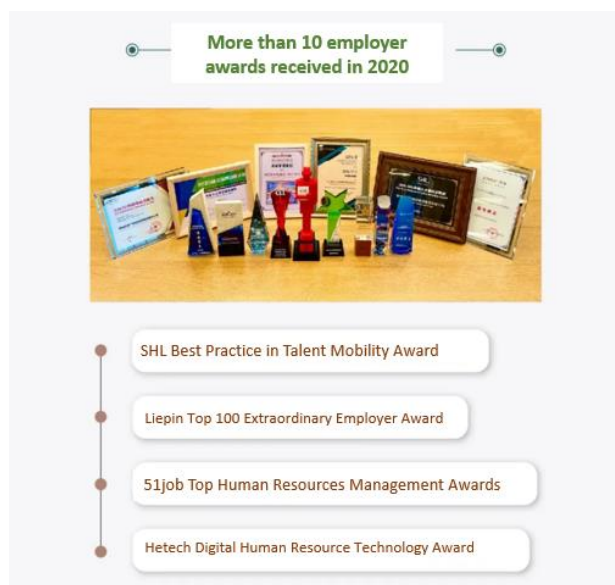


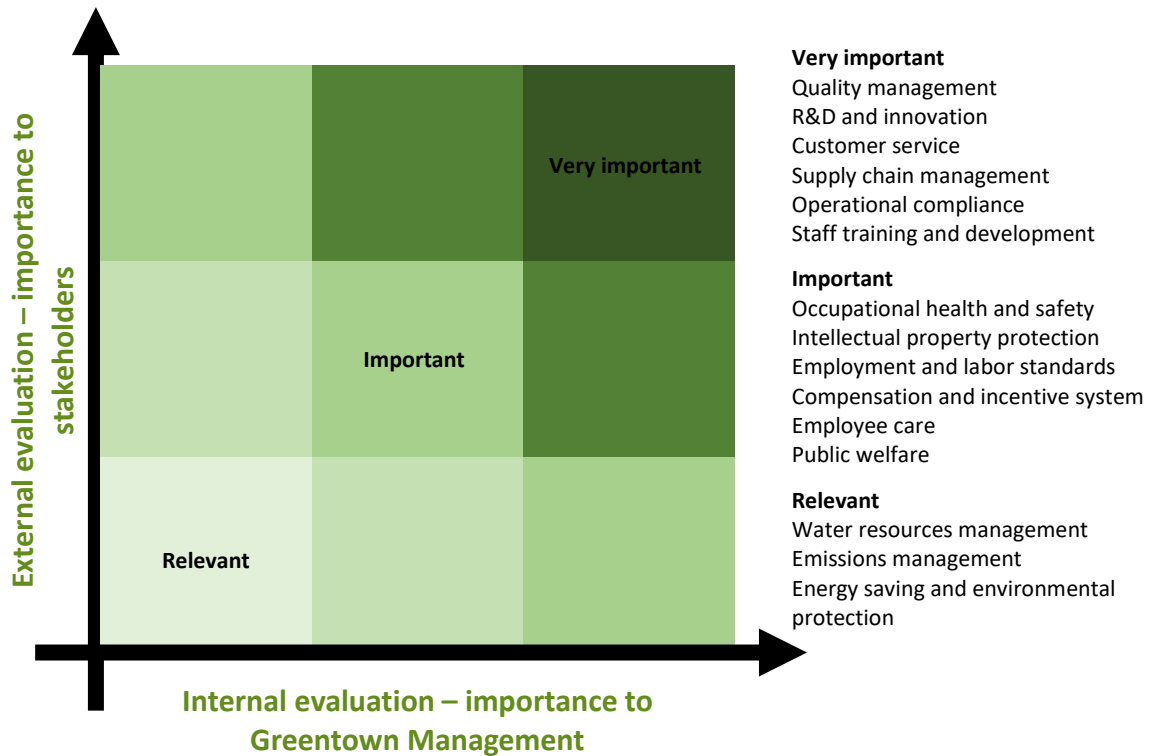
Image: SHL Best Practice in Talent Mobility Award

Analysis of Material ESG Issues

Identifying, Evaluating and Prioritizing Material Issues

To fully understand the expectations of all stakeholders of Greentown Management, the Company sorts out and identifies material sustainability issues with a significant impact on Greentown Management and all stakeholders, following HKEX's ESG Reporting Guide and combining internal and external communications and discussions, and includes all material issues in this ESG Report. These issues help to develop risk management interventions at the Company level and ensure that the Company effectively addresses the major concerns of stakeholders.

The Company prioritizes the identified material issues following the principle of materiality. The identified material issues are ranked based on materiality matrix and approved by the management. The results are as followed.



Stakeholder Communication

Based on the Company's business characteristics and operational features, and drawing on the advanced experience and practices, Greentown Management has identified the Company's key stakeholders, including owners, employees, shareholders, partners, government and regulators, communities and the public. The Company maintains regular close communication with stakeholders through different channels to effectively address and measure the material issues concerned by stakeholders.

| Stakeholders | Concerns | Response of Greentown Management |
|--------------|--|--|
| Owners | <ul style="list-style-type: none"> Quality management Customer service | <ul style="list-style-type: none"> ✓ Establishing a quality management system ✓ Sample management and Site Open Day Activities ✓ Providing high-coverage quality management training ✓ Strengthening quality supervision and inspection and safety inspection ✓ Establishing customer complaint management policies and procedures ✓ Establishing and maintaining effective communication channels |

| | | |
|---------------------|--|--|
| | | <ul style="list-style-type: none"> ✓ Transforming customer complaints into front-end risk control ✓ Responsible Marketing |
| Employees | <ul style="list-style-type: none"> • Occupational health and safety • Training and development • Employment standards • Compensation and incentives • Employee care | <ul style="list-style-type: none"> ✓ Strictly implementing epidemic prevention and control measures ✓ Establishing a special emergency plan ✓ Compliance with laws and regulations ✓ Equal recruitment and diversification, fair promotion ✓ Constructing the standard of agent construction talents ✓ Professional, diversified and customized training ✓ Providing competitive salary and benefits ✓ Carrying out rich employee activities |
| Shareholders | <ul style="list-style-type: none"> • Operational compliance • R&D and innovation | <ul style="list-style-type: none"> ✓ Building a compliance management system ✓ Implementing compliance risk prevention and control measures, rewards and punishments ✓ Strengthening internal control and internal audit supervision ✓ Establishing an anti-fraud reporting mechanism and policy ✓ Establishing industry standards and promote industry progress ✓ Innovative technology and service ✓ Digital and intelligent practice |
| Partners | <ul style="list-style-type: none"> • Supply chain management • Intellectual property protection | <ul style="list-style-type: none"> ✓ Establishing a supplier management system ✓ Promoting the construction of green supply chain ✓ Regular supplier evaluation by a third party ✓ Developing together with suppliers ✓ Establishing intellectual property protection policies and procedures ✓ Strengthening training related to intellectual property rights |

| | | |
|-----------------------------------|--|--|
| Government and regulators | <ul style="list-style-type: none"> • Emissions management • Operational compliance | <ul style="list-style-type: none"> ✓ Energy saving and emission reduction, reasonable disposal of waste ✓ Building a compliance management system ✓ Implementing compliance risk prevention and control measures, rewards and punishments ✓ Strengthening internal control and internal audit supervision ✓ Establishing an anti-fraud reporting mechanism and policy |
| Communities and the public | <ul style="list-style-type: none"> • Energy saving and environmental protection • Emissions management • Water resources management • Public welfare | <ul style="list-style-type: none"> ✓ Green architecture and green technology investment ✓ Energy saving and emission reduction, reasonable disposal of waste ✓ Saving water and introducing rainwater reuse design ✓ Actively participating in the construction of affordable housing, public construction projects such as urban renewal projects ✓ Helping rural boarding school program launched by Jack Ma ✓ Counter-poverty alleviation |

ESG Governance Structure

Greentown Management pursues sustainable development. The Board of Directors, the highest governing authority within the Company's management structure, is responsible for the review and the authenticity of annual ESG report, as well as ESG risk assessment, ESG decision making, ESG management supervision and other related work. The Company implements the main body of responsibility for ESG governance, and realizes the true implementation of management by promoting coordination and linkage between departments and matching management resources. The Office of the Board of Directors is the overall management department, responsible for promoting the cooperation and cooperation of ESG work among other functional departments and business units, supervising the operation of ESG work of various functional departments and business units, statistical data and preparing ESG reports for review by the board of directors, and at the same time to the functional departments and Business units provide consultation and answers for ESG work.

Building a Beautiful Home

Adhering to the original intention and ideal of "making more good houses for more people", we always pursue the goal "to make the people happier, to make the government more at ease, to make the city more beautiful, and to make the society more harmonious", and help all people "have a home to live in, live in a more comfortable home.

➤ Building a High-quality Service Provider for the Construction of Government Investment Projects

Greentown Management is committed to solving a large number of problems in the integration of "construction, management, and use" of government investment projects and the "three-over phenomenon" with professional services. The Company saves project duration, ensure design quality, ensure controllable investment, and introduce high-quality suppliers through clarifying the rights and

responsibilities of all parties involved in the construction, and highly integrated various construction services, so as to further improve product quality and improve management efficiency.

Due to professional construction, the affordable housing under construction has become a local benchmark project and has been recognized by the construction authorities of various regions. Government leaders at all levels have come to investigate and inspect on the spot. At the same time, it has also been praised by the industry, and has established a good government-enterprise relationship and customer reputation in the government project management area.



Image: Peng Jinhui, Member of the Standing Committee of the Hainan Provincial Party Committee and Minister of Organization, and his entourage inspecting the Pharmaceutical Valley Talent Housing Project built by Greentown Management



Image: Hangzhou Yunshang Lanyuan Affordable Housing Project

➤ **Building More Good Houses for More People**

Combining Greentown China's years of real estate development experience and the resource advantages of the entire real estate industry chain, Greentown Management respects the design and management of each project, fully considers the needs of the people, designs for needs, inherits historical culture, and integrates the development of surrounding cities, fully implement the management and control of the project to the whole cycle of project management and control, and jointly creates high-standard, high-quality, and high-cost housing products with all participating units.



Image: Jinhua Qinjian Yaju Affordable Housing Project

➤ **Creating the Beauty of the City**

Greentown Management builds "net celebrity affordable housing" products that are not inferior to mid-range commercial housing, and build "the most beautiful campus", "the most beautiful high-speed rail station" and other urban facilities in various places, and guides the aborigines in cities and towns to integrate into urban life, and contribute social forces to promote urban style and urbanization.

Case: Hangzhou Olympic Sports Experimental Primary School

In 2020, Greentown Management built Hangzhou Olympic Sports Experimental Primary School jointly with the Architectural Design & Research Institute of Zhejiang University. Located in the Olympic sector in Binjiang District, this primary school has 54 classes in total. With an overall tone of warm orange, the school boasts a unique design style, becoming a shining cultural landscape in the area.

In addition to its futuristic appearance, the school is both functional and pedagogical. The interior of the building is organically interlinked based on the interaction types of campus functions and the utilization frequency of the functional space of all types, and adjusts and guides people's mental state and behaviour through the space system, to make space better serve learning and build up a comfortable and healthy learning environment for students.



Image: Hangzhou Olympic Sports Experimental Primary School

Case: Rural Boarding School Transformation

The Company cooperated with Zhejiang Jack Ma Public Welfare Foundation to transform rural boarding schools to improve the educational environment and living environment of boarding students. In 2020, Greentown Management conducted preliminary explorations on the integration of schools in remote areas and villages. These projects aimed to realize the effective collection, integration and utilization of educational resources by merging the original schools and choosing some central towns and villages to expand schools, which had significant social benefits.



Image: Before and after the renovation of the school building of Xunwu Rural School in Jiangxi



Image: School Reconstruction Project in Pu'an County, Guizhou (Rendering)

Innovative Technology and Service

➤ Synchronous Design

Greentown Management requires the synchronous design of the three professional conceptual phases of architecture, landscape and fine decoration, to ensure that professions make requirements to each other and solve problems at an early stage. Synchronous design refers to the management method of synchronous development and synchronous completion of design following the reasonable process of all professions and measuring, calculating and consulting services related to the real estate design. Synchronous design divides design stages according to the advancing sequence of architectural design, including:



With these four stages, the highest efficiency can be achieved by the synchronized advancement of dovetailed professions and measuring, calculating and consulting services at predetermined entry points. As at the end of the reporting period, Greentown Management have realized a 100% implementing rate of synchronous design of the design preparation, architectural design and expanding architectural design stages, and the Company will make every effort to increase the synchronization implementing rate of the construction design stage.

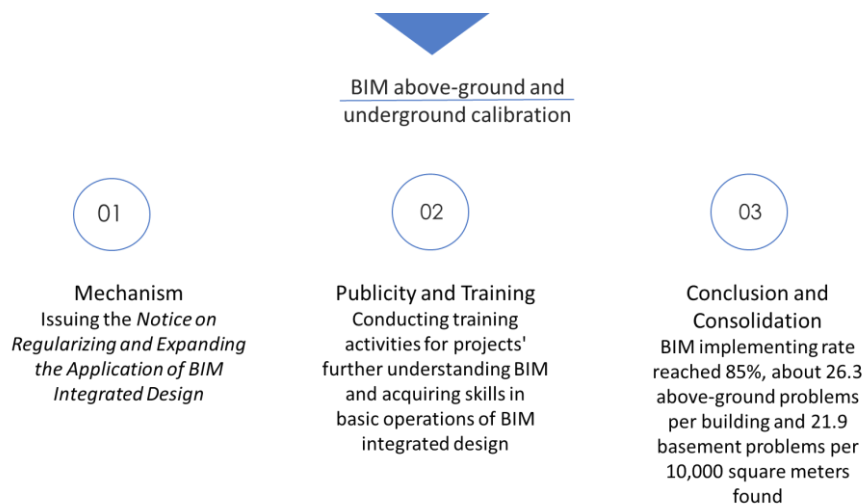
➤ **Application of BIM Technology**

Greentown Management is committed to combining professional computer technology with R&D projects. For example, the Company applies the Building Information Modelling ("BIM") technology to reduce rework costs and improve efficiency. BIM technology is a data-based tool for engineering design, construction and management, which creates a virtual 3D model of a construction project with computer technology, network communication technology, and information processing technology and provides the model with a complete information base consistent with the real construction project with digital technology. It enables all project participants to share information of the construction project on a resource platform and supports decision making across the entire lifecycle of the construction project.



At different stages of the project, data can be inserted, extracted, updated and shared in the BIM system to realize collaborative operations, including the geometric information, professional attributes, and status information of building components, and the status information of non-component objects. With the help of BIM technology, the information integration of construction projects can be further improved. From the design, construction, to the completion of the project, all information will be collected into a 3D model information database to better manage all information during the entire building lifecycle.

In 2020, Greentown Management fully implemented BIM above ground and underground calibration, and vigorously piloted online lean management of projects.



➤ **Research on Integrated Insulation**

The whole real estate industry is greatly challenged by the raised standards for green energy-efficient buildings and increasingly acute labour shortages on construction sites. Greentown Management believes that the future attention should be turned to pursuing benefits from lean management and surviving through continuous innovation, so it is necessary for the real estate industry to apply new materials and new processes.

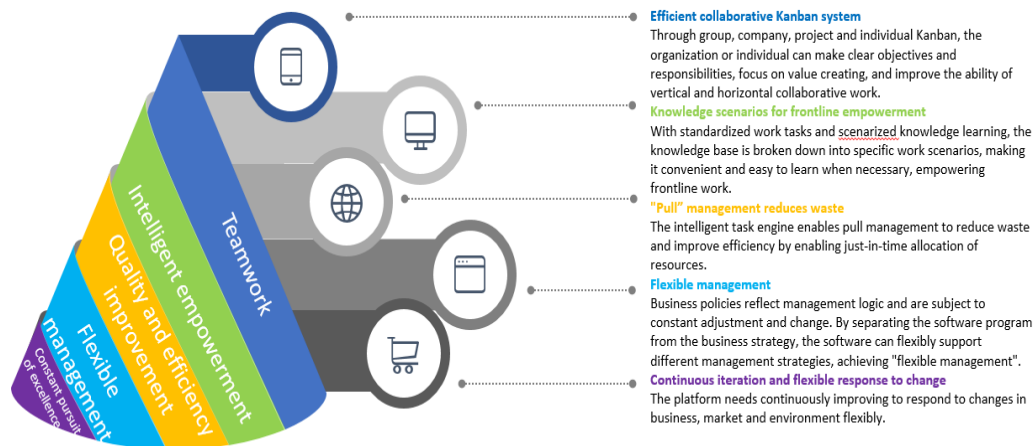
In 2020, the Company surveyed the insulation and decoration materials for exterior facades of buildings, mainly involving the materials and processes for integrated insulation structure, materials and processes for integrated insulating decoration, and external wall insulation and decorative materials.

The survey covered mainstream and innovative materials in the market, with the performance, production process, construction process and cost of the materials comprehensively studied and analysed, and advantages and disadvantages of each material system analysed, to optimize the selection of materials for future construction projects.

Based on the survey results, the Company requires special energy-efficient design for the exterior facade, floor insulation, door and window glass, environmental protection and energy-saving technology on all future design and construction drawings, and will review drawings, which will not be released for construction unless relevant requirements are met.

➤ **AI Management**

In 2020, Greentown Management built a collaborative platform for lean project management based on lean thinking to reduce human errors and omissions with digital management tools. The platform consolidated national regulations, enterprise standards and reference cases into each module and employed an AI algorithm to improve software intelligence, expecting to fundamentally solve the key problems in current quality management, such as emphasis on manual labour over intelligence and no unified standards or synchronous nodes, so as to achieve empowerment, efficiency improvement and task supervision.



In addition, the Company cooperates deeply with famous technology companies and comprehensively utilize technologies such as Internet of Things, cloud-edge computing and AI, to provide smart services like smart communities and smart homes, so as to create a convenient, comfortable, healthy, safe and environment-friendly home environment for owners.

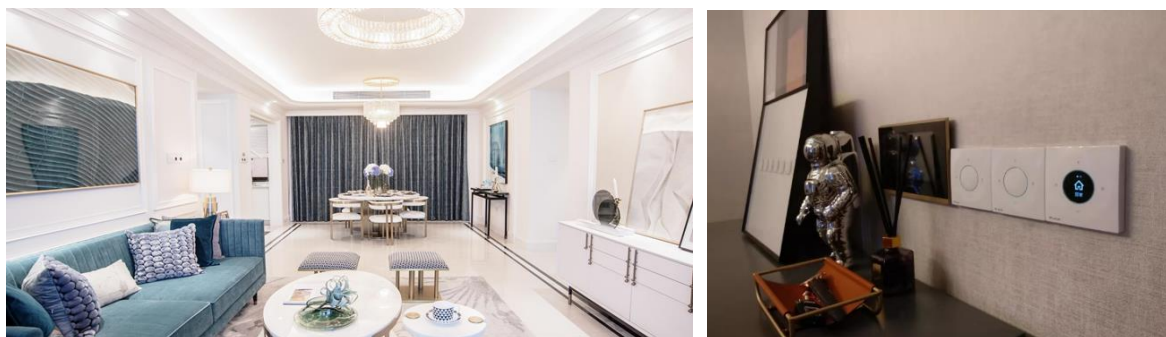


Image: AI management scenarios

Quality Assurance

Facing the challenges and opportunities brought about by the new situation in the industry, Greentown Management always insists on putting quality first and strives to ensure the safety and quality of products while pursuing speed and efficiency. In 2020, Greentown Management continued to uphold the business philosophy of "quality first", keeping ahead in the industry and winning many awards for protect quality.



➤ Quality Management System

The company's product centre takes the *Project Operation Manual: Design – Planning Design*, *Project Operation Manual: Design – Landscape Design*, *Project Operation Manual: Design – Fine Decoration Design*, *Project Operation Manual: Engineering – Construction and Installation Engineering*, and *Project Operation Manual: Design – Special Design* as guidelines for management, the process as technical standard, and the *Product Management Reward and Punishment Rules* and *Quality Red Line Management Standard* as the basis for rewards and punishments, forming a complete set of quality management standards system. Greentown Management follows the internal management guidelines, and scientifically and steadily plan the progress of projects under the premise of safety, quality, and compliance with rules and regulations, so as to construct healthier and safer buildings for customers.

➤ Sample Management

Greentown Management followed *Sample Building Management Standards*, setting up "Sample Management Hold Points" throughout the construction process, and departments at all levels performed their own functions and normal management. Thus, a virtuous circle of quality control has formed, in which the Group clearly directs, the secondary departments supervise and guide, and the project companies are responsible for implementation.

Through the presentation of three major samples, namely display sample, delivery sample and process sample, can show the design unit the presentation effect, discover details and omissions in the first trial, and help the construction unit to master the process and procedures to ensure high quality, thus greatly strengthening the front-end control of products.



Image: Sample Management System

➤ **Safety Check**

Construction safety is an important part of quality control. The product center of the Company conducts routine quality inspections to its projects every month, organizes special pit safety inspections for the projects at the pit construction stage, and follows up on site construction conditions on a daily basis for high-risk projects.

In addition, the Company engages a professional third-party company to conduct quarterly quality assessments of all its projects and adopt "unannounced inspection", so as to timely identify the problems and deficiencies in quality safety control, carry out rectification, plug loopholes and urge the project companies by rewarding and punishing with reference to ranking and quality steadily improve product quality.

➤ **Quality Control Training**

In 2020, the Company carried out a number of special training sessions on quality control, for example, the training of "Standards for Construction Processes and Methods – Waterproofing" in the design line, with 1,125 participants; the publicity of "Sample Construction Management Standards" in the engineering line, with 1,145 participants; and the training of "Key Points of Cost Control at Conceptual Phase" in the cost line, with 689 participants. Through these trainings, the Company popularized relevant expertise to the staff and raised their awareness of quality control.

➤ **Site Open Day**

"National Site Open Day" is a characteristic quality management measure of Greentown Management. Since 2016, it has been held for nine seasons until the end of 2020. In general, the site is selected based on the Greentown Management Benchmark Project Management. Every season, the activity lasts for 1 to 2 months. The projects across the country, including commercial and government projects are actively participating in these activities.

The activity invites entrusting parties, owners, suppliers, media and even peers into the Greentown Management construction site to show the technology, quality and civilized construction of the project, and accept the social supervision to form a quality consensus and build a better home together.

Greentown Management considers "National Site Open Day" as an action plan to establish service standards in project management industry, and constantly takes innovations to bring better experience to participants. Since the event was held, Greentown Management has released project management 4.0 system and produced a series of materials *Greentown teaches you to look at the construction site*. In addition, Greentown Management launched the Green Star Standard, which measures what is a "good house" from the four dimensions of product, operation, supplier and service. Greentown Management continuously improves the quality of service, enriches the contents of activities and deepens the knowledge and trust of the external world on the Greentown Management site.

At the same time, Greentown Management takes the Site Open Day activities as a carrier, and strives to create a stylish, quality-oriented products and open up the engineering culture of the upstream and downstream industry. During the activity, Greentown Management launched the promotional video "Greentown Master" represented by Lin San Jiu, the Executive Director and President, and containing product representatives of several generations of Greentown Management. In addition, awards will be given to outstanding projects and suppliers, including excellent sites, suppliers, projects and honors of Site Open Day.

Now, "National Site Open Day" has become a "Quality Name Card" of the Company, and attracted numerous media reports.

Case: Site Open Day – Build Big from Small

On October 25, 2020, the Ninth Greentown Management National Site Open Day was officially launched at Greentown – Shijiazhuang Chengyuan. It was the first national site open day after Greentown Management went public. The following month saw Greentown Management opened many construction sites across the country to the public. At the site, visitors were able to experience the Project Management 4.0 system and the beauty of craftsmanship in the clean and standardized construction environment, the construction technology and methods displayed as they are and the strict and rigorous safety standards.

This Site Open Day further improved service and experience when continuing the past excellent practices. This time, the Company surveyed before the opening so that visitors can "customize" the content of the event; interactive activities were added to make visitors better appreciate the quality and standard of Greentown Management; and a closing ceremony was held to commend staff members and suppliers building better together. Projects welcomed visitors in an open and lively way according to their own characteristics.



Image: Site Open Day

➤ Lean Management

Greentown Management provides clients with four dimensions of lean management services including accurate position, quota design, craftsmanship and operation management, so as to help them achieve the double improvement of quality and benefit.

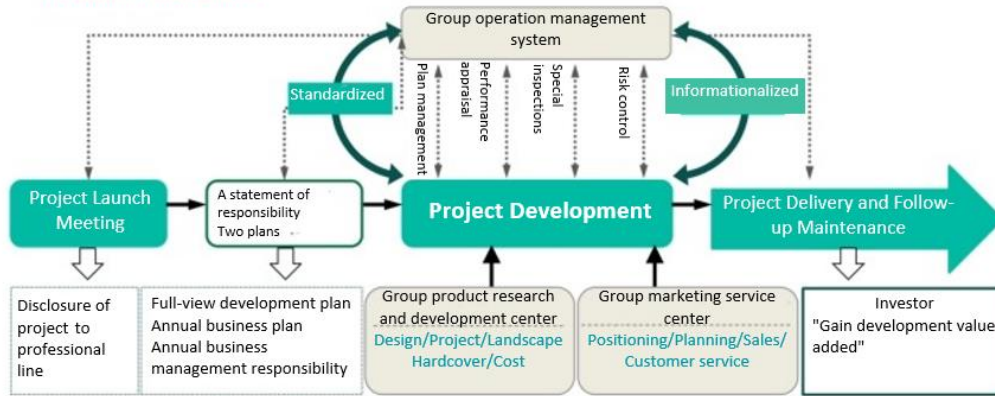
Accurate position: Look for customers according to the characteristics of the land, and provide the matching products to provide the key guarantee for the success of the project.

Quota design: Look for standard projects in the mature product system of Greentown Management, and take "quota design" as the principle to ensure the client to get public praise and win-win benefits.

Craftsmanship: What behind the "good house in Greentown" are strong professional resource integration ability, strict management system and groups of persistent craftsmanship. Greentown Management ensures the development quality and forge the core competitiveness of our products with a strict engineering quality supervision system.

Operation management: From project launch meeting, process monitoring to post-delivery maintenance, Greentown Management operates standardized and digitalized management system to ensure quality and control risks.

Lean Management
Operation Management



Facilitating Industry Development

➤ **Promoting the Progress of the Construction System**

Greentown Management is committed to driving the front-end design system and the back-end operation system to realize the human-oriented design and on-site meticulous work of the entire industry. We create industry benchmark projects in the region, and promote the improvement of industry technology through knowledge sharing and skill sharing.



Image: The site of the various construction project observation meetings undertaken by the Greentown Management Project

➤ **Building an Enterprise Service Platform**

Relying on the first-mover advantage of the construction of the project management enterprise service platform, Greentown Management has established a long-term cooperation mechanism with the government and industrial chain partners to share corporate management and brand value, achieve a win-win situation between quality and efficiency, and build trust. At the same time, the Company has increased the income of various businesses and continuously explored the economies of scale in the operation of project management enterprises.

In addition, the government project management has also made outstanding contributions to Greentown Management business revenue breakthroughs, industrial resource integration, and innovative model exploration. It is an important incubation base for the Company as a development model exploration and diversified revenue channel expansion.

Supply Chain Management

The sustainable development of Greentown Management cannot be achieved without the participation of our suppliers. The Company always focuses on supply chain management and insist on building a competitive supply chain guarantee system to drive the benign development of our suppliers and promoting mutual cooperation and win-win situations when enhancing our own ESG capabilities. The Company formulated a series of systems such as the *Standards for Regional Suppliers' Inventory Management*, *Standards for Construction Supplier Management* and *Implementation Guidelines for the Application of Collective Procurement Results* to build up a whole lifecycle management process from development, access, performance evaluation, risk management to withdrawal of all types of suppliers, continuously inspecting and evaluating the hardware facilities and operational capabilities of suppliers.

➤ **Green Supply Chain Promotion**

In recent years, green supply chain management has gradually become the focus of suppliers, customers and other stakeholders, and has been of great significance to the whole real estate industry. Greentown Management takes full account of the impact that the options chosen in the procurement process will have on the surrounding environment and people, such as the rational use of resources, energy conservation, disposal and recycling of waste and hazardous material and environmental impact.

In addition to own environmental requirements, Greentown Management also considers suppliers' environmental and social responsibility performance and records of violations as important evaluation indexes in the selection of suppliers, and gives priority to the suppliers with advanced environmental performance. Our supplier contracts expressly set forth terms and conditions with respect to the environmental protection and social responsibility of suppliers to ensure their legal compliance in the construction process. In addition, we also supervise our suppliers to choose environment-friendly pursuant to contract provisions.

Greentown Management aims to promote the use of more environmental protection products and services under these green supply chain management concepts, constantly improving our environmental performance, and to better comply with the requirements of going green and environmental protection when cooperating with suppliers to provide high-quality and efficient products. In the future, Greentown Management will continue to be devoted to building a sustainable supply chain, advocate and require suppliers to fulfil their social responsibility, and continue to enhance the awareness of sustainable development.

➤ **Supplier Assessment**

Greentown Management regularly engages third parties to conduct comprehensive project assessment (including process assessment and delivery assessment) on suppliers. The process assessment is conducted quarterly and includes six parts: actual measurement, sample management, visual quality, data management, leakage prevention as well as safety and propriety. The delivery assessment is completed within one month before the delivery of each project and includes seven parts: actual measurement, interior impression, leakage prevention test, facade and roof impression, public parts impression, landscape impression and electromechanical installation impression. The list of qualified suppliers is dynamically updated based on the assessment results to ensure that the quality, technology, environmental protection and social responsibility management capabilities of our suppliers meet our strategies and expectations.

Responsible Marketing and Customer Service

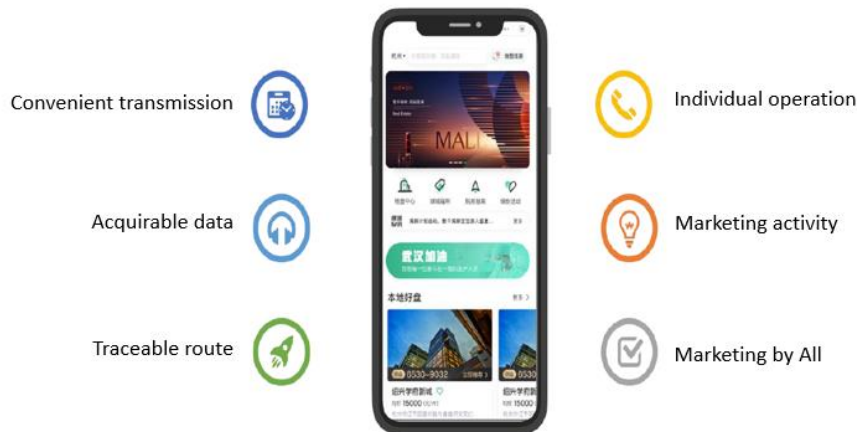
➤ **Regularizing Advertising**

The Company issued the *Project Operation Manual: Marketing* to set forth and clarify the specifications regarding key aspects of marketing and advertisement, in accordance with the *Advertising Law of the People's Republic of China* and other laws and regulations to ensure the authenticity, accuracy and

compliance. The Company also developed the *Specifications for Brand Use* to expressly define precautions and prohibitions to regularize the brand use.

➤ **Smart Sites Building**

Greentown Management is dedicated to building smart sites, providing special functional applications for specific processes, roles and scenarios to realize intelligent site work. Currently, the Company's Greentown Cloud provides functions of VR property visit, live streaming, online subscription, etc., to visualize, digitalize and intelligentize the work on sites.



➤ **New Media Marketing**

To obtain more effective marketing and communication results, the Company planned online marketing with information technology, including smart sites, online sales office and partnership with Tmall Haofangzi. Meanwhile, the Company also encouraged subordinate project companies to independently advertise via diversified new media channels.

| | | | |
|---|---|--|--|
| <p>Haikou Taoli Chunfeng</p> <p>Hot Advertising Video The project's image publicity video called Chunfengyin was awarded IAI International Advertising Awards, setting off a wave of eastern culture IP in Hainan real estate circle.</p> | <p>Nanchang Guiyu Jiangnan</p> <p>Sweeping Online Advertising 50 million+ view counts of a single publicity video, successfully listed on the most searched hashtags of Weibo</p> | <p>Linyi Chunjiang Mingyue</p> <p>Hot Video Clip on Tik Tok Setting a record of about 500,000 view counts a time in tier three and four cities Top 3 among the villas traded in Linyi Economic and Technological Development Zone in the first half of 2020</p> | <p>Weifang Taoyuanli</p> <p>Cool Managers' Promotion The most earnest brand promotion and marketing enabling after the epidemic A cumulative online audience of 5,000+ with exciting response.</p> |
|---|---|--|--|

Image: New media marketing achievements of project companies

➤ **Customer Service**

Greentown Management adheres to the customer-centric approach and always considers the actual needs of customers. By building a perfect customer service system and constantly innovating and upgrading the internal system, we aim to improve customer satisfaction and establish a good reputation for our project management projects.

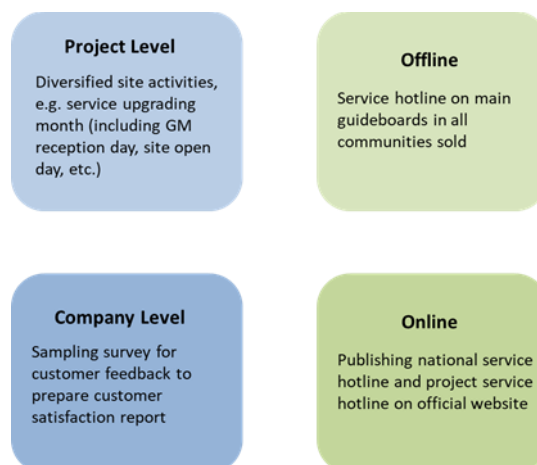
The Company developed a *Project Operation Manual: Service* as guiding rules and regulations of the customer service system. The document regularized the job specifications regarding key aspects of customer service, including preliminary project stage, project opening, project backend sales, delivery management, complaint management, public opinion management, etc. The Company established *Customer Complaint Handling Rules* to define the classification and level of complaints and the handling process. The Company also conducted annual inspections to identify and rectify non-conformities related to customer management in a timely manner.

The Company attaches importance to continuous communication with customers, and builds diversified communication channels to continuously collect suggestions and feedback from customers.



Image: Customer complaint handling process

In addition, Greentown Management translated customer feedback into front-end risk control and integrated risk control criteria into our system management with information technology, achieving automatic extraction and closed cycle of information, so as to better avoid the complaint risk. In 2020, the Company maintains a customer satisfaction score in the 90th percentile of the industry.



Operational Compliance

Greentown Management understands that operational compliance is fundamental for the steady and sustained development of an enterprise. Effective compliance management is a built-in part of all aspects and processes of business activities, being the core competitiveness and driving force of the enterprise in any competitive environment.

➤ Compliance Management System

The Company has prepared the *Rules and Regulations for Corporate Operation*, *Basic Regulations for Compliance Management* and *Regulations for Special Compliance Management of Key Areas*, and established a sound compliance management system. Through the vertical management structure, the compliance duties at each level are defined and fulfilled to achieve timely identification and effective protection against compliance risks.

➤ Compliance Risk Containment

In July 2020, Greentown Management was officially listed on the Stock Exchange of Hong Kong. The access to the capital market means higher regulatory compliance requirements and uncertain risks at all times. The Company proactively identifies and forms a list of key compliance risks by conducting targeted questionnaire surveys and holding management seminars. The list clearly defines the risk possibility and impact, the current status of risk response control to and the control over risks, the persons responsible for risks, and the risk response plan. Horizontally, the risk response enhances the substantiality, comprehensiveness and practicability of the compliance risk prevention and control of each department. Vertically, the risk containment is supervised via regular internal risk assessment and reporting, and regular spot checks by the Office of the Board of Directors, to ensure the steady operation of our business in a compliant environment.



➤ Internal Audit

In order to establish a risk-oriented internal audit system, the Company revised the *Internal Audit Management Standards*, and issued and implemented the *Internal Audit Plan 2020*. We are committed to promoting the scientific and healthy development of the Company by carrying out management audit, operation audit, economic responsibility audit, off-office audit and special audit internally, and engaging audit institutions and consulting agencies externally, to build a good audit environment and comprehensively and objectively evaluate our business and control.

Anti-Corruption and Integrity

➤ Establishing Systems

The Company holds on to the bottom line of integrity and is devoted to be a bona fide reputable organization, strictly complying with the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. In addition, in order to enhance employees' awareness of integrity and self-discipline, and to advocate active reporting of corruption, the Company has formulated the

Employee Integrity and Self-discipline Management System, the Reporting and Reward System against Corruption and other systems to define the red lines and penalties of unjustified enrichment, fraud, misappropriation and others, and to provide a detailed basis for corruption punishment and reporting rewards.

➤ **Enhancing Internal Control**

The Company further optimizes the governance structure scientifically by enhancing internal control, and prevents and eradicates corruption through checks and balances to protect the Company's assets and interests. Measures to optimize the internal control system include separating powers of decision-making and supervision, closing loopholes in the human resource system, and protecting the independence of the internal audit function. Meanwhile, regular internal control training sessions regarding corporate culture are held to acquaint employees with the internal control system, laws and regulations, and empower them to be vigilant against corruption.

In order to learn the latest experience in respect of internal control from more channels, Greentown Management joined the Enterprise Institute for Internal Controls, which was jointly founded by Sun Yat-sen University and benchmark companies such as Vanke, Ali and Country Garden. The Company actively shares and exchanges experience on this great platform with famous companies about internal control, internal audit, risk control, supervision and other functions keeps the Company up to date regarding the development of the anti-fraud, risk management, internal control, internal audit and other fields to maintain management capability advanced.

In 2020, the Company did not have any reports of legal case regarding corrupt practices.

Intellectual Property Protection (IP)

Greentown Management protects intellectual property when focusing on research and development. The Company understands that intellectual property is the core competitiveness of an enterprise. Therefore, in accordance with the *Regulations for Administration of Enterprise Intellectual Property of the People's Republic of China*, the Company formulated the *Measures for Intellectual Property Management* and formed a sound intellectual property management system to protect our intellectual property from infringement.

The Company conducts regular IP training and education, communicating IP knowledge and concepts with staff to raise their awareness of IP protection and technical confidentiality. As at 31 December 2020, the Company had implemented 27 important innovations, applied for 59 product patents, been granted 46 product patents and had 62 new trademark applications.

Training and Development

Company competition and development come down to talent competition, so Greentown Management attaches great importance to employee training on the premise of people first. We formulated reasonable annual training plans and schemes in response to business requirements, and set up efficient training systems covering the training and improvement of employees' capabilities, knowledge and skills, so that employees may obtain good career development. The Company upholds the management concept of "being a school", and is committed to cultivating excellent employees for the Company's operation.

➤ **Constructing Talent Standards for Project Management**

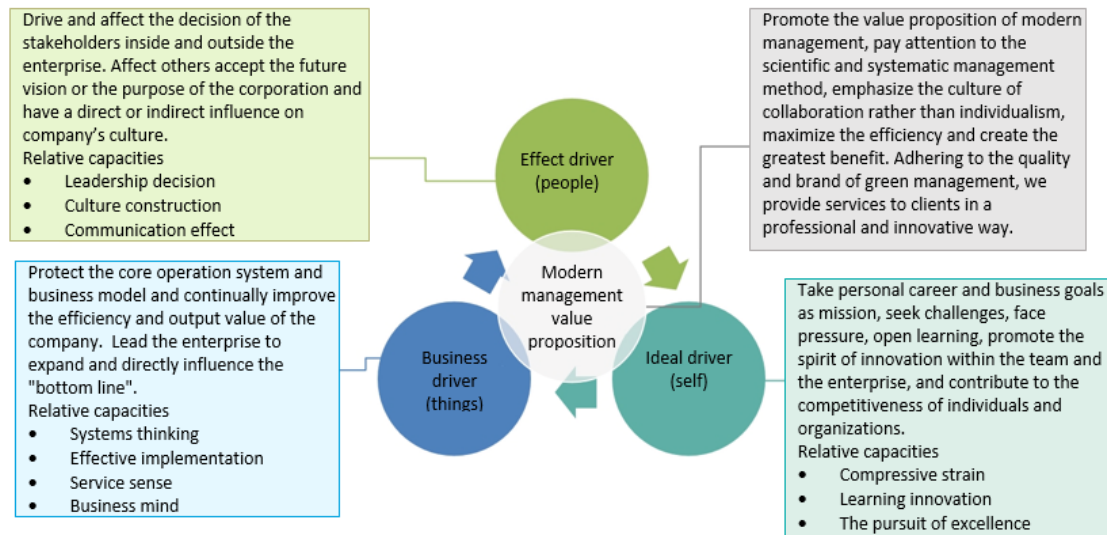
In teams of the structured lack of talent evaluation standards and the problem of not focusing on judging the talent ability, Greentown Management develops the quality model of project management ability. By using the enterprise strategy analysis, critical incident interview and job performance validity

analysis methods, Greentown Management analyses talents qualitatively and quantitatively and applies model and scientific assessment report to construct personnel selection evaluation system.

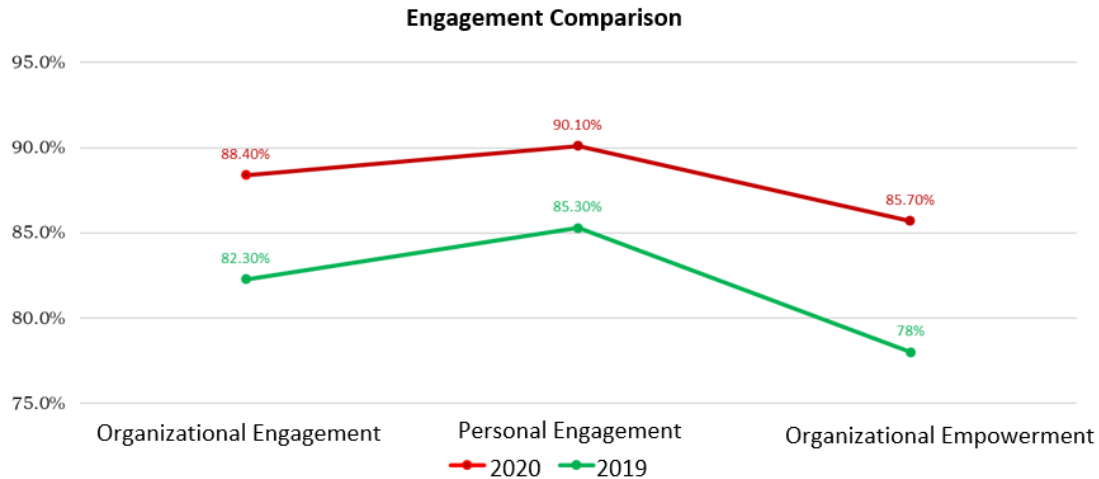
This system can be divided into "head of the centre/line, project director, project operation team, project management team, professional post" five key crowds and "effect driver (people)" "business driver (things)" "ideal drive (self)" three dimensions. The system can effectively help the Company identify talent to match the rapid expansion of the Company's business development trend.

Summary of key capacity requirements of each key positions

| | Key abilities | Head of the centre/line | Project leader | Project Leader (Engineering) | Project Leader (Integrated Management) | Project engineering /Cost manager | Project Marketing Director | Project Integrated Management Manager | Professional positions |
|--------------------------|----------------------------|-------------------------|----------------|------------------------------|--|-----------------------------------|----------------------------|---------------------------------------|------------------------|
| Effect driver (people) | Leadership decision-making | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| | Cultural construction | | ✓ | ✓ | ✓ | | | | |
| | Communication effect | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Business driver (things) | Systems thinking | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Effective implementation | | | | | ✓ | ✓ | ✓ | ✓ |
| | Service sense | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| | Business mind | ✓ | ✓ | | | | | | |
| Ideal driver (self) | Compressive strain | | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| | Learning innovation | ✓ | | ✓ | ✓ | | | | ✓ |
| | Pursuit of excellence | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



In September 2020, with a total of 1,531 employees of Greentown Management participating in the Company Engagement survey, the coverage rate and response efficiency rate of the survey reached 100%. In 2020, the Company's organizational engagement is 88.4%, up 6.1% from 2019, exceeding the 80th percentile of the real estate industry by 14% and the 80th percentile of the service industry by 17.84%. The overall ranking is the same as that in 2019, ranking the fourth and at the excellent level.



➤ Equality and Diversity

By the end of 2020, Greentown Management has 1,531 employees. Greentown Management strives to maintain equal and diverse employment opportunities, and we have always been committed to adequately attracting and gathering various excellent talent to build a harmonious and efficient team. Greentown Management adheres to the principle of equal recruitment and signs labour contracts with employees in strict compliance with human rights protection conventions of United Nations, the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. The Company undertakes to provide equal opportunities in recruitment, career development, promotion, training and reward, regardless of colour, nationality, race, age, gender, religion and physical disability. Any discrimination or unfair treatment is prohibited.

Greentown Management formulated the *Recruitment Management Standards* internally to clarify and regularize the recruitment process. The Company continues to supplement outstanding talent in a fair and transparent manner via multiple channels such as campus recruitment, online recruitment, and school-enterprise cooperation for the permanent development of the talent selection and retention mechanism. The Company strictly complies with relevant laws and regulations of the state to ensure fair employment of male and female employees.

The Company is open to reasonable suggestions from employees. In 2020, the headquarters of the Company, subordinate companies of regions and cities, and project companies held 73 "May Day Symposiums", and 983 employees submitted their suggestions via the platform – "Manager Online". "May Day Symposium", also known as "Greentown Management Roast", is a brand activity of the Company's labour union held for over 20 years. It is committed to hearing the voices of employees via various forms, promoting the "people first" corporate culture of Greentown Management and practicing the concept that "the employee is the No.1 product of the Company".





Image: "May Day Symposium"

In addition, the Company adheres to lawful employment, without any illegal use of child labour or forced labour.

➤ Career Development

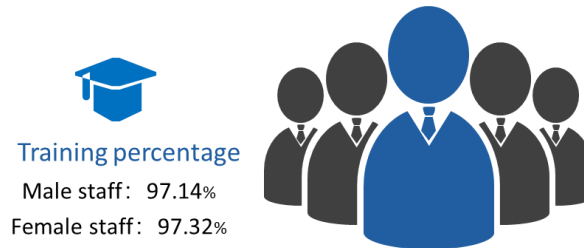
Any promotion in Greentown Management must be supported by cultural identity, performance assessment and working experience, as well as the professional grade and job qualification certificate required by the position at the upper level. For example, an employee who intends to be promoted to be a professional must pass the corresponding professional grade assessment first and then the corresponding professional post qualification certification. During such certification, the employee to be promoted is assessed from the perspectives of responsibility contribution, profession and key competencies required by the proposed promotion position. The assessment will be combined with the project management competence model. Through these rigorous promotion processes, the Company ensures each employee is given fair and equal promotion opportunity, helping employees to explore the most suitable development path by and for themselves.

➤ Sufficient Training Systems

Greentown Management established and followed its internal *Training Management Standards* to efficiently and continuously cultivate talents, so as to ensure the adequacy and depth of the talent system. For example, for new employees, the Company launched the courses of "Green Lemon Program" and "Yellow Lemon Program" with an aim to navigate new employees through on-boarding training, corporate culture learning and work recording and supporting, so that new employees could adapt themselves to the corporate culture, clearly know about corporate strategy, development, and job responsibilities, and smoothly and successfully become part of the Company as soon as possible. For the management, the Company sets up "advanced courses" and "navigating program", guiding them to improve their capabilities of performance management, team cohesiveness and professional impact, to help them establish a scientific and efficient leadership system and methodology effectively.



In addition, for some positions requiring professional skills like product management, marketing management and investment development, the Company also rendered relevant courses to help employees with expertise improvement, so as to achieve both business development of the Company and self-improvement of the employee. Employees' training in 2020 is conducted as below:



Case: "Greentown Star Force Program"

"Greentown Star Force Program" is a campus recruiting program based on the Company's strategic planning to select new generations of talent for the light-asset business from excellent universities and colleges, and to bring middle and senior management or expert talent to effectively support high-quality development of business through systematic talent cultivation and output. Greentown Star Force Program only recruits talent graduating from domestic 985 or 211 key universities, overseas prestigious colleges, and institutes with professional or regional advantages.



Image: "Greentown Star Force Program" Sites

Case: Sunflower Program

"Sunflower Program" is a training and development program for project companies' team construction, reserving middle management for the Company's rapid development. The Program provides lectures in the form of in-person instruction, video teaching, group discussion, games, etc., diversified by more innovative and interesting training content.



Image: "Sunflower Program" Training Site

➤ Management School

Established in 2017, Greentown Management School is a 4.0 system strategic platform providing extensive training courses and strives to build a platform that includes sharing company knowledge, certifying suppliers and outputting industry standards.

Greentown Management School is not only a platform for employees to share and exchange knowledge and skills, but also to enhance their professional quality and make them become the backbone with excellent practical ability, behaviour habits and management habits. Besides, Greentown Management School is also open to project owners and suppliers in the industrial chain, and exports Greentown quality building experience and professional management system to help the upstream and downstream partners in the industrial chain achieve team growth and organizational development.

Up to now, Greentown Management School has carried out in-depth cooperation with Misawa Real Estate, China Europe Business School, E-house Wharton, Bo Zhicheng, etc., and the education and training programs have been widely praised in the industry.



Image: E-house Wharton and Greentown Management asset-light development advanced program

Remuneration and Welfare

Greentown Management is always committed to providing employees with competitive remuneration and welfare. In 2020, the Company's employee turnover rate is as low as 5.25%.

In terms of remuneration, the Company strictly complies with the government's regulations for minimum wage administration, and internally formulates and follows the *Remuneration Management Standards*, ensuring that the basic salary of various employees is not lower than the requirement of the regulations. The Company makes social insurance contributions in full and on time, covering basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and supplementary commercial insurance and housing provident fund.

In terms of corporate welfare, the Company is committed to creating an excellent people-first working environment, advocating work-life balance and hoping employees may find fun in work. Therefore, the Company actively sets up various sports clubs to enrich the employees' cultural life and create a good work atmosphere so that the Company and employees may jointly promote corporate cultural construction.



Case: Sports Clubs

Greentown Management enjoys seven sports clubs in total, including basketball, volleyball, football, green running, yoga, swimming and snooker clubs, and recruits new members ever year. In 2020, more than 200 employees participated in sports club activities. The sports clubs launched various activities in combination with Wednesday Activities, setting up a platform to foster a good atmosphere of health, cohesion, unity and hard work.



Image: Activities of Sports Clubs

Case: Summer Refreshing

In July 2020, the Company conducted a "Summer Refreshing" activity to care for the employees working in the high-temperature front line, serving cool and refreshing drinks to over 2,000 hard-working frontline employees on hot summer days.

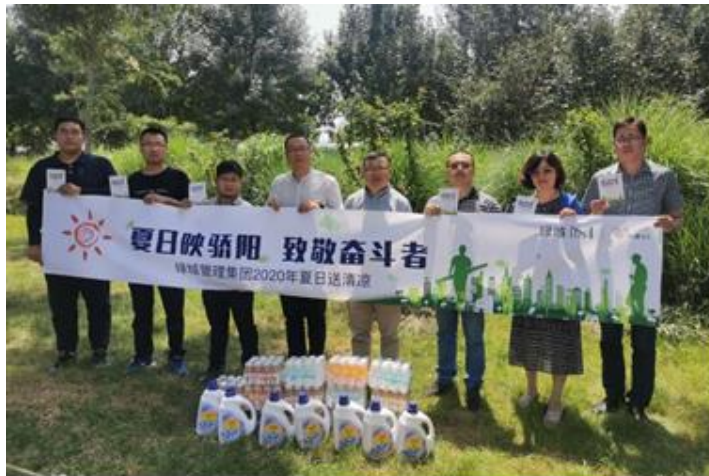


Image: "Summer Refreshing" Activity

Occupational Health and Safety

The employee is the core power and valuable fortune for corporate development. As an employer, Greentown Management attaches importance to employees' physical and mental health and occupational safety, complies with the state's regulations for occupational health and safety, and strives to provide a comfortable, safe and healthy working environment for employees.

➤ Physical Health Examination

The Company attaches importance to employees' physical health. Through a 360° health platform designated by Greentown China, we prefer the institution with long-term partnership with Greentown China and arranges physical examination for employees at least once a year. In addition, the Company provides 360° health services, including report interpretation, health consultation, health maintenance with traditional Chinese medicine, VIP registration, hospitalization arrangement, medicine delivery, etc. Every autumn, the Company also arranges physical examinations for employees' family members

(including spouse, children, parents and parents in law), who may enjoy the same quality service according to employees' service years with the Company, so as to protect employees' family health and improve their sense of safety and belonging.

➤ Occupational Safety

The Company is accountable and responsible for providing a safe working environment for employees. The Company's *Greentown Management Employee Manual* and other rules and regulations comprehensively define the responsive mechanism and process in case of any accident in the working environment in detail, which provide response reference and subsequent protection for employees in case of epidemic, any sudden illness, fire, accident and other emergency.

Case 1: Standing Together to Prevail over COVID-19

On February 10 in 2020, Greentown Management set up an epidemic task force in its headquarters to follow and give feedback on the physical health of all the employees of Greentown Management and the workers of the commissioning party via daily enquiry, personal health reporting and temperature measurement at projects and to ask about the health of, deliver medical supplies to, or offer other care to the employees who get sick.



Case 2: Fire Drill

In 2020, the Company conducted an emergency rescue teaching and fire evacuation drill for high-rise buildings in partnership with the administration of the sub-districts, communities and properties. Through this drill, we improved employees' emergency response ability, familiarized employees with the evacuation routes, and tested the effectiveness of the linkage of the comprehensive fire protection system.



Image: Employees in the Fire Drill

Safeguarding Environment and Building a "Green Town" Together

Urbanization brings not only a convenient life but also a heavy burden to the increasingly deteriorating global environment. As a project management company in the real estate industry, we are well aware of our responsibility for environmental protection. So we do business and operate in strict compliance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other applicable laws and regulations. When designing and constructing a comfortable living environment for people, the Company makes every effort to reduce the environment burden from all aspects, makes the green sustainable development an important part of the corporate development strategy, and builds the brand value of "Building a Green Town".

➤ Green Architecture

As a leading company in project management, the Company integrates the awareness of environmental protection into daily construction, and continuously researches and develops the construction technology reducing the environmental burden, to balance the architecture requirement and environmental protection. In the selection of construction materials, multiple strict control is exerted to achieve the use of materials with zero formaldehyde emission when environmental protection requirements are met. In construction design, all architectural design and construction drawings have special energy-saving design for façade materials, the floor insulation effect, door and window glass selection, environmental protection and energy-saving technologies, and no drawings may be issued unless the requirements of the local government are met in respect of environmental protection and energy saving through careful drawing review. As for the application of new environmental protection technologies, we adopt the water source heat pump system which is able to absorb and discharge heat from water, the trigeneration technology connecting floor heating, air conditioning and hot water, the rain water recycling design applied in coastal cities, etc. With the green concept that "many littles make a mickle", we keep developing and practicing to show various possibilities of sustainable architecture from tiny subtleties.

Case: Future Low-carbon Green Communities

In 2019, the People's Government of Zhejiang Province officially proposed the construction of future communities. The future community has three value orientations of being people-oriented, ecological and digital, covering nine scenarios such as future neighborhood, education, health, entrepreneurship, architecture, transportation, low carbon, property and governance, being a future people-oriented modern city platform. As a leading real estate developer and service provider, the Company actively participates in the construction of the future community and is selected into the future community industry alliance led by Alibaba Group. In November 2020, the Company successively won three provincial future community pilot projects in Zhejiang, namely Jiaojiang Xinhaicheng community, Linhai Liujiaojin community and Jinyun Mingshan community. Greentown Management will apply advanced construction technologies based on the environment friendly concept in the future community project, and contribute to the building of an intelligent, low-carbon, shared and caring homeland.

➤ Green Office

The Company advocates the concept of green office and raises employees' awareness of environmental protection in many ways. Internal publicity is conducted regularly to advocate electricity, water and resource saving in daily work, as well as second-hand paper and double-side printing for office documents to save paper. On World Food Day, we launched the "Clean Your Plate" campaign to put an end to wasting food and urge everyone to cherish food, leading a fashion of "energy saving" in Greentown Management. In 2020, the Company consumed 248.5 MWh of electricity, 37,259.9 liters of gasoline and 12,148.4 tons of water. Currently, the Company is not experiencing any problems in obtaining water resources.

In 2020, the Company generated 0.04 tons of hazardous waste and 1.55 tons of non-hazardous waste, which are mainly office supplies, with small output of waste. The Company formulated disposal process for the small office waste. Hazardous waste, including fluorescent light bulbs, batteries, ink cartridges,

etc., is regularly collected and transferred to the fixed hazardous waste recycling point for professional treatment. The non-hazardous waste, most of which is paper, is collected and handled at a fixed place and then sent to the waste paper recycler for reuse. The Company ensures that every batch of waste will be disposed properly and utilized efficiently to reduce the environmental burden.

Promoting Public Welfare

Company stays true to its founding mission and is committed to contributing to society. "Being a warm and responsible company" is company's commitment and value for 25 years. Focusing on corporate social responsibility, Greentown Management has been actively engaged in and practically carried out the poverty-alleviation charity activity, making every effort to help the society. In recent years, while vigorously promoting government project management projects, the Company is also engaged in public welfare in diversified ways to fulfil its social responsibility and bring good life for all.

Case: Holiday Activities

"Love for Growth" is a theme activity to build a reading room for children in the mountainous area, continuously implemented and jointly organized by Greentown Management Labor Union and Kaihua County Committee of the Communist Youth League.

In 2020, the third year of the "Love for Growth" public welfare activity, the Party-Mass Relation Department of Greentown Management took over the activity and visited the children in the mountainous area on June 1 to gift them with new books and sports equipment and accompany them to celebrate Children's Day.



Case: Pairing for Poverty Alleviation

Culiugou Village in Wei County, Hebei Province is a poverty-stricken village paired for poverty alleviation with Shijiazhuang Yuhe Shangyuan, a project management project of Greentown Management. Upon the receipt of the poverty alleviation assistance request from the secretary of Culiugou Village, Yuhe Shangyuan responded quickly, and efficiently and considerately assisted Culiugou Village in poverty alleviation. After field surveys, the representatives of Yuhe Shangyuan quickly submitted the assistance to Hebei Charity Federation for approval. The employees for the project, the property management company and the construction company were organized to actively make donations for food, clothing and other supplies, and go to the mountainous area together with the quasi-owners' representatives to give support and assistance. In addition, Yuhe Shangyuan also officially set up a special fund to donate RMB 300,000 to Hebei Charity Federation in the name of the families of the first owners, which was widely praised by the owners. To "make more extensive" poverty alleviation efforts, Yuhe Shangyuan included the village's produce into the vegetable basket program to increase villagers' income when providing green products for customers.



Appendix

Environmental, Social and Governance Reporting Guide Index

| Aspect | Description | Index |
|------------------------------------|---|---|
| A. Environmental | | |
| Aspect A1: Emissions | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. | Safeguarding Environment and Building a "Green Town" Together |
| A1.1 | Types of emissions and respective emissions data. | Statistical Table |
| A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emission (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Statistical Table |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Statistical Table |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Statistical Table |
| A1.5 | Description of steps taken to reduce emissions and achievements. | Safeguarding Environment and Building a "Green Town" Together |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, steps taken to reduce wastes produced and achievements. | Safeguarding Environment and Building a "Green Town" Together |
| Aspect A2: Use of Resources | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Safeguarding Environment and Building a "Green Town" Together |
| A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Statistical Table |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Statistical Table |
| A2.3 | Description of energy use efficiency plans and achievements. | Safeguarding Environment and Building a "Green Town" Together |

| Aspect | Description | Index |
|---|---|---|
| A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water use efficiency improvement plans and achievements. | Safeguarding Environment and Building a "Green Town" Together |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not Applicable |
| Aspect A3: The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Supply Chain Management Innovative Technology and Service Safeguarding Environment and Building a "Green Town" Together |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Supply Chain Management Innovative Technology and Service Safeguarding Environment and Building a "Green Town" Together |
| B. Social | | |
| Aspect B1: Employment | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | People First Training and Development Remuneration and Welfare Occupation Health and Safety |
| B1.1 | Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region. | Statistical Table |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Not Applicable |
| Aspect B2: Health and Safety | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | Occupational Health and Safety Quality Assurance |

| Aspect | Description | Index |
|--|--|---|
| | relating to providing a safe working environment and protecting employees from occupational hazards. | |
| B2.1 | Number and rate of work-related fatalities. | Statistical Table |
| B2.2 | Lost days due to work injury. | Statistical Table |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Occupational Health and Safety Quality Assurance |
| Aspect B3: Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | People First Training and Development Quality Assurance |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Statistical Table |
| B3.2 | The average training hours per employee by gender and employee category. | Statistical Table |
| Aspect B4: Labour Standards | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to preventing child and forced labour. | Training and Development |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour | Training and Development |
| B4.2 | Description of steps taken to eliminate such practices when discovered | Training and Development |
| Aspect B5: Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Supply Chain Management |
| B5.1 | Number of suppliers by geographical region. | Not Applicable |
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Supply Chain Management |
| Aspect B6: Product Responsibility | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | Responsible Marketing and Customer Service |

| Aspect | Description | Index |
|--|--|---|
| | relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Responsible Marketing and Customer Service |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | Responsible Marketing and Customer Service Statistical Table |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Intellectual Property Projection (IP) |
| B6.4 | Description of quality assurance process and recall procedures. | Quality Assurance Facilitating Industry Development |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Responsible Marketing and Customer Service |
| Aspect B7: Anti-corruption | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Anti-corruption and Integrity Operational Compliance |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | Anti-corruption and Integrity Statistical Table |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Anti-corruption and Integrity |
| Aspect B8: Community Investment | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Facilitating Development and Delivering Love Building a Beautiful Home Promoting Public Welfare |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Facilitating Development and Delivering Love Building a Beautiful Home Promoting Public Welfare |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | Facilitating Development and Delivering Love |

| Aspect | Description | Index |
|---------------|--------------------|---|
| | | Building a Beautiful Home Promoting Public Welfare |

Statistical Table

| Environmental | | |
|---|----------------|-------------------|
| Category | Unit | 2020 |
| Energy Consumption | | |
| Electricity | MWH | 248.50 |
| Electricity consumption per employee | MWH per person | 0.16 |
| Natural gas | CBM | 0.00 |
| Natural gas consumption per employee | CBM per person | 0.00 |
| Gasoline | L | 37,259.90 |
| Gasoline consumption per employee | L per person | 24.34 |
| Waste | | |
| Hazardous waste | Ton | 0.04 |
| Hazardous waste produced per employee | Ton per person | 0.00 ² |
| Non-hazardous waste | Ton | 1.55 |
| Non-hazardous waste produced per employee | Ton per person | 0.00 ² |
| Total waste | Ton | 1.59 |
| Total waste produced per employee | Ton per person | 0.00 ² |
| Water | | |
| Water for production and office | Ton | 12,148.40 |
| Water consumption per employee | Ton per person | 7.93 |
| Greenhouse gas | | |
| Direct greenhouse gas (Scope 1) | Ton | 84.27 |
| Direct greenhouse gas emission per employee | Ton per person | 0.06 |
| Indirect greenhouse gas (Scope 2) | Ton | 175.11 |
| Indirect greenhouse gas emission per employee | Ton per person | 0.11 |
| Total emission amount of greenhouse gas (Scope 1 and Scope 2) | Ton | 259.38 |
| Total greenhouse gas emission per employee | Ton per person | 0.17 |
| Waste gas emission | | |
| Total NOx emission | Ton | 0.05 |
| Total PM emission | Ton | 0.00 |
| Total Sox emission | Ton | 0.00 |

² The mantissa is rounded off

| Social | | |
|--|-----------------------------------|---------|
| Data | Category | 2020 |
| Employee structure | | |
| Workforce ³ | Total | 1,531 |
| Gender | Female | 448 |
| | Male | 1,083 |
| age | below 30 | 618 |
| | between 30 and 50 | 885 |
| | Over 50 | 28 |
| Geographical region | Zhejiang | 1,057 |
| | Non-Zhejiang | 474 |
| Work-related injury | Number of work-related fatalities | 0 |
| | Rate of work-related fatalities | 0 |
| | Lost days due to work injury | 0 |
| Percentage of employees trained | | |
| Gender | Female | 97.32% |
| | Male | 97.14% |
| Employee category | Senior management | 100.00% |
| | Middle management | 100.00% |
| | General staff | 96.96% |
| Average training hours per employee | | |
| Gender | Female | 40.85 |
| | Male | 65.64 |
| Employee category | Senior management | 47.78 |
| | Middle management | 48.70 |
| | General staff | 59.21 |
| Product responsibility | | |
| Number of products and service related complaints received | Quantity | 54 |
| Anti-corruption | | |
| Number of legal cases regarding corrupt practices | Quantity | 0 |

³ Only full-time employees included