



中國恒大集團

CHINA EVERGRANDE GROUP

China Evergrande Group

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3333

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2021



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About This Report

INTRODUCTION

China Evergrande Group and its subsidiaries (the “Evergrande Group”, “Evergrande”, “Group”, “we” or “us”) is pleased to announce the Environmental, Social and Governance (ESG) Report 2021 (this “Report” or “ESG Report”). This Report discloses the development and performance of the Group regarding our economic, social, and environmental aspects in 2021, this shows the Group’s sustainable development and its vision to stakeholders, enhance the understanding and confidence of all stakeholders among the Group and promote sustainable development of the Group through enforcing the ESG performance.

REPORTING PERIOD

The information contained in this Report covers the ESG performance for the period from 1 January 2021 to 31 December 2021 (“Reporting Period”, “Financial Year”, “2021”).

REPORTING SCOPE

Evergrande Group’s principal business, including real estate development, new energy vehicle, cultural tourism, and health business. This Report covers the real estate development, and its reporting scope¹ has covered 87.36% of the Group’s revenue for the year ended on 31 December 2021. For the comprehensive business details of the Group’s real estate business, please refer to the Group’s 2021 Annual Report and this Report. For ESG details of the new energy vehicle and health businesses, please refer to the 2021 ESG Report of China Evergrande New Energy Vehicle Group Limited. For ESG details of the property management business, please refer to the 2021 ESG Report of Evergrande Property Services Group Limited.

The Group is determined in continuously adjusting its reporting framework and disclosure principles, in order to cover the general disclosures and key performance indicators at different levels in various environmental and social areas in the newly revised guidelines. If the scope of specific content is different, it has been specially noted in the relevant part of the ESG report.

REPORTING PRINCIPLE

Reporting Standards and Response

This Report was prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix 27 of the Listing Rules issued by the Hong Kong Stock Exchange (the “HKEX”) and with reference to the requirements of the Global Reporting Initiative Standards (“GRI Standards”), the Task Force on Climate-related Financial Disclosures (“TCFD”), the standards of Sustainability Accounting Standards Board (“SASB”) and the United Nations Sustainable Development Goals (“SDGs”). The end section of this Report contains the detailed content index of the ESG Reporting Guidelines for readers’ quick reference.

¹ The environmental data covers period from 1 January 2021 to 31 December 2021; the scope of environmental data collection includes real estate business segments in 21 provinces, municipalities and autonomous regions. It covers the company and its subordinate project companies, as well as the Group headquarters. Among them, regional companies cover in Anhui, Beijing, Guangxi, Guizhou, Hainan, Henan, Hubei, Hunan, East China, Jiangsu, Shaanxi, Shenzhen, Sichuan, Chongqing, Pearl River Delta, Jiangxi, Gansu, Shanxi, Yunnan, Jilin and Liaoning. Compared with 2020, increased 3 new regions, provinces and cities, including Shanxi, Yunnan, and Jilin.

About This Report

This Report is in accordance with the following reporting principles as the basis for preparing this Report, please refer to the table below for more details:

Reporting Principle	Response from the Group	
Materiality	The Report shall cover the category that reflects the obvious effects of the agency on the economy, environment, and society, or substantively affects the evaluation and decision-making by stakeholders.	Through stakeholder communication and participation in materiality assessments, it has identified the current material sustainability issues, which has taken account to the nature of the Group's business, the way, and locations of its operation. Details are explained in the "Materiality Assessment" section.
Quantitative	Key performance indicators may be measured. Objectives to reduce individual impacts may be set. As a result, the benefits of ESG policies and management system may be evaluated and verified. Quantitative materials shall be attached with explanations, elaborations on purposes and effects, and comparative data when appropriate.	The Group disclose key performance indicators in ESG reporting guidelines in complies with requirements, reporting information in quantitative measurement under feasible circumstances, including information on the standards, methods, assumptions used, and comparative data provided. At the same time, the Group is actively exploring the direction of setting energy-saving and emission-reduction targets.
Balance	The information in the Report shall reflect the positive and negative aspects of the performance of the reporting agency for the convenience of the reasonable evaluation of the overall performance.	The Report identified and expounded on the Group's achievements and challenges, and disclosed quantitative information, for the convenience of transparent comparison of tendency.
Consistency/ Comparability	The Report shall disclose the information in a consistent manner, so that stakeholders may analyse and evaluate the performance of the agency at different time. The agency shall interpret any changes in methods.	The Group has compared the current and past key performance indicators and information in various areas, which allow stakeholders to compare its performance by years. Meaningful comparisons and environmental performance indicators will be made using consistent methodologies over the next few years unless methodological improvements are identified.
Accuracy	The Report should report qualitative information under accuracy, sufficient, detailed, consistent information, with available evidence and other reported information, adequately describing the methods and basis of calculations for data measurement to assess the organisation's impact.	Qualitative information in this Report is reported based on the Group's existing evidence; the calculation basis has been fully described in the report, so repeated measurements and calculations are allowed.

About This Report

Reporting Principle	Response from the Group
<p>Clarity</p> <p>The Report should present information in an accessible and understandable manner, taking the special needs of information users including different abilities, languages, etc. Information should avoid abbreviations into account; if necessary, information need to explain through the relevant section or glossary. The Report information is presented under the concise manner by organising useful information, making information accessible and understandable and adopting graphics and combine data.</p>	<p>This Report is presented in Chinese and English and has been divided into different chapters and uses a table of contents and comprehensive data tables, so that most readers can easily view specific chapters of the report.</p>
<p>Completeness</p> <p>The Report should provide sufficient information to assess the organisation's impact during the Reporting Period to ensure completeness and do not omitting information. When the information required by the disclosure item cannot be obtained or is incomplete, the organisation needs to provide reasons for omission.</p>	<p>This Report has disclosed all its activities and impacts in accordance with the reporting scope stated in this report. Nor has the Group omitted information necessary to understand the Group's impact.</p>
<p>Sustainability Context</p> <p>The report should report its impact information in the broad context of sustainable development, and transparently show how the organisation contributes and commits to sustainable development. The organisations need to assess and report on their impact in the broader context of sustainable development.</p>	<p>This Report applies objective information and authoritative measures to disclose the situation in regard to sustainable development and report its impact and relevant information related to its sustainable development objectives.</p>
<p>Timeliness</p> <p>The reporting organization shall make reports on a regular basis, so that stakeholders may promptly obtain information and make wise decisions.</p>	<p>The Group adopted consistent reporting period. The information obtained was collected in a timely manner after the Reporting Period and complied with the requirements of the ESG reporting guidelines set out in Appendix 27 of the Listing Rules of the HKEX.</p>
<p>Reliability</p> <p>The Report information should be collected, recorded, and analysed in the manner that can be verified , thus to assure the quality. It is important that reported information can be tested to determine its veracity and to determine the extent to which reporting principles are applied.</p>	<p>The Group establishes internal control and manages related documents and avoids including information that is not substantiated by evidence.</p>

About This Report

SOURCES OF INFORMATION

The disclosed information in this Report is derived from the internal and official documents and statistical data, third party questionnaire surveys and public information. Unless otherwise stated, the data in this Report shall use RMB as the settlement currency.

ACCESS TO THE REPORT

This Report is published in electronic format available in Chinese and English versions. In case of any discrepancy between the Chinese and English versions of this Report, the Chinese version shall prevail. You may access the Group's official website <http://www.evergrande.com> or the HKEX's website <http://www.hkex.com.hk> for an electronic copy of this Report.

REVIEW AND APPROVAL

The Board is aware of its responsibility to ensure the accuracy and completeness of this Report. To the best of its knowledge, this Report has addressed all relevant material issues and fairly presented the ESG performance of the Group during the Reporting Period. The board of directors has reviewed and approved the contents of this Report on 17 July, 2023.

INFORMATION AND FEEDBACK

The Group is committed to maintaining long-term relationships with stakeholders, actively participating in resolving their concerns, and taking timely follow-up actions. If you have any questions about the content of the report or have any comments on the Group's sustainable practices, please contact the Group through the following methods:

Company Address: Evergrande Centre, No. 78 West Huangpu Avenue, Tianhe District, Guangzhou

Tel: (852) 2287 8229/2195 0303

About Evergrande Group

ABOUT US

Business Overview

Evergrande Group is an enterprise group integrating properties for people, new energy vehicles, digital technology, cultural tourism and health and well-being management. Evergrande Group always carries forward the corporate spirit of “enterprising, dedicated, struggling and pioneering”, and maintains the corporate style of “elaborate planning, vigorous implementation and efficient work”.



Estate Segment

The principal business of Evergrande Group is the real estate development and property management, with projects covering more than 280 cities. The Group implements quality strategy, builds quality and cost-efficient products, which embraces the ambition in creating a smart and new living style for property owners.

About Evergrande Group



New Energy Vehicle Segment



Integrating the worldwide vehicle manufacture resources, Evergrande New Energy Automobile has established a whole industry chain of new energy vehicles covering advanced vehicle manufacturing, 3.0 chassis architecture, powertrains, power batteries, spare parts, intelligent network, vehicle sales and smart charging. The Group cooperated with the leaders of automobile engineering technician and top designer and stylist in the world to develop 14 new car models. Nine “Hengchi” series have been launched all over the world, and the world’s most advanced smart production bases have been built in Shanghai, Guangzhou, and other places as per Industry 4.0 standards. The Evergrande has cooperated with Tencent on the development of the intelligent operating system for automobile and has customised the smart operating system for Hengchi,

About Evergrande Group

to create a leading smart-automobile system globally. In April 2021, at the Shanghai Auto Show, New Energy Automobile has showcased a collection with 9 new models of the “Hengchi” brand. This is the first auto show that the Evergrande New Energy Automobile participated in after entering the car manufacturing industry. In the same year, China exported 2 million automobiles throughout the year, becoming the third largest automobile exporter in the world. With a passion in assisting China become a powerful automobile manufacturing country, the Evergrande strives to become one of the largest and most powerful new energy automobile groups.



Digital Technology Segment

In 2021, the Evergrande Group and Tencent has merged to create a property technology platform, “Weiwuyun” (微物云), which is available to the public and encourage the digital upgrade of the property industry and therefore to develop into the blue ocean market. The “Weiwuyun” has fully integrated Tencent’s panoramic digital ecology with the diversified ecology of Evergrande’s eight major industries. Taking advantage of Tencent’s capabilities in cloud computing, artificial intelligence, big data, the Internet of Things, and consumers to enterprises, as well as Evergrande Group’s various offline application scenarios, including with nearly 2,000 communities and a massive customer private domain traffic. It will develop the diversified and multi-layered user services platform and will completely make changes to the industry ecology in the future.



About Evergrande Group

Cultural Tourism and Health Management Segment

Evergrande Cultural Tourism has developed two major products that have filled the market gaps in the world, namely, “Evergrande Children’s World” and “Evergrande Water World”. It has also developed a health care product, namely, “Evergrande Health Valley” to fill the market gaps in China. Besides, the top cultural tourist resort is desired from the global, the “Ocean Flower Island”/ “Haihua Island” (海花島) in Hainan China has built and with its grand opening in 2021, the “Ocean Flower Island” is an artificial island that built with the concept of green architecture.



About Evergrande Group

OPERATION PERFORMANCE

In 2021, the annual performance of the Evergrande Group are as follows:

Economic Efficiency	
Amount of contract sales RMB372.9 billion	Area of contract sales 52.02 million m ²
Revenue RMB250 billion	Income tax credit RMB12.7 billion
Social Efficiency	
Total number of employees 121,368	Percentage of female employees 37%
Total area of green building certification 14.8629 million m ²	Given honour on title of “National Advanced Group for Poverty Alleviation”

Board Statement

Dear Stakeholders:

On behalf of the Board of China Evergrande Group, I am pleased to present the Group's 2021 ESG Report, which aims to demonstrate the Group's policies, practices, measures, and performance in the field of ESG.

Since establishment in 1996, Evergrande Group constantly promotes the spirit of "enterprising, dedicated, struggling and pioneering", and maintains the corporate style of "elaborate planning, vigorous implementation and efficient work". Evergrande Group makes unremitting efforts to create a better life for people. This ESG Report demonstrates our continuous commitment to improving our sustainability performance in the areas of environmental performance and objectives, corporate governance, community engagement, customer satisfaction and employee care.

The Board is primarily responsible for the Group's ESG-related issues, and supervises its ESG strategy, direction, and policies through the ESG working team. The Board believes that an effective governance structure is important to the Group's success in integrating and conducting effective management as a sustainable business. The Board also ensures the effectiveness of the Group's ESG risk management and internal control systems and actively communicates with internal and external stakeholder, in order to understand their expectations and requirements.

To ensure the Group's long-term vision is effectively and consistently implemented throughout the Group, we have identified the Group's major ESG issues in business operations through a materiality assessment, regularly analysing and reviewing the Group's ESG risks and opportunities, performance, progress, goals, and indicators. Thus, the Group is able to operate its business under a responsible and sustainable manner, creates value to all stakeholders and enhances long-term value of shareholder.

In response to climate change and the national dual carbon goals, the Group has set clear emission reduction targets in this financial year. In the short term, our goal is to reduce the intensity of greenhouse gas emissions, air pollutant emissions, waste and sewage discharge, energy consumption and resource consumption by 5% in 2026. The Group is going to incorporate sustainable development factors into the Group's strategic planning, business model and decision-making processes. At the same moment, the Group has set clear and definite short-term and long-term emission reduction goals and corresponding strategies continuously leading the Group move towards to the vision of emission reduction. The Group is committed to achieving the Chinese government's dual carbon goals by 2060, which is to achieve the carbon peaking by 2030 and to achieve carbon neutrality by 2060.

The Evergrande Group implements the quality strategy, builds quality and cost-efficient products. The Group promotes the development in green infrastructure and certification of green buildings. The new building projects aim to meet the basic requirements of the new national standard for green buildings, which seek to provide users with green, healthy, and efficient spaces. The Group has followed the philosophy of "talent-based country and talent-based industry", focus on the team building and introduce talents through multiple channels, effectively cultivate talents, and provide employees a broad development platform for talent promotion. For the social development, the Group has never forgotten its original intention to actively undertake social responsibilities. In this financial year, the society is still impacted by the Covid-19 pandemic. The Group has intended and contributed through actual actions in prevention and control measures that against the Covid-19 pandemic. Despite of the difficulties, the Group has devoted in participating in the Covid-19 pandemic prevention, which contributed to help in fighting and beating the pandemic. Further, the Group continue in promoting sports culture and strengthen the creation of educational opportunities. The Group has interpreted the actions and responsibilities of civil enterprises in the new era.

Looking ahead, the Evergrande Group will strive to achieve its corporate goals. The Group is committed to work great in its business operation, management, and development in accordance with laws and regulations, concentrate and work hard. These are the environmental and social responsibility that Evergrande undertakes and contributes the most!

China Evergrande Group

Chairman

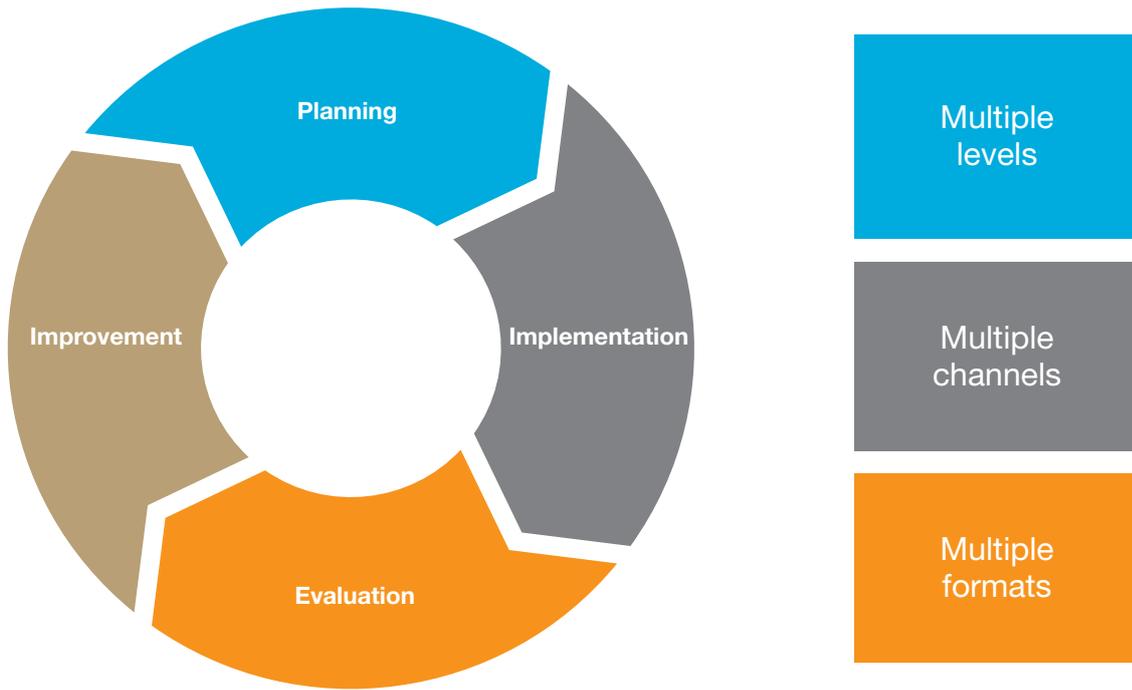
Hui Ka Yan

Approach

Evergrande Group follows in the operation philosophy of “Properties for People”, taking people’s needs and national industrial policy trends as the major driver of the Group’s development. The Group deeply develop four main business segments, including the properties for people, cultural tourism, health and well-being management and new energy vehicles. As the Group is aware of the importance in fulfilling the corporate social responsibilities, we value it as the cornerstone for the development of a healthy and sustainable business. Hence, the Group has further incorporated the ESG operating philosophy into our business.

ESG OPERATING PHILOSOPHY

Evergrande Group is committed to integrating ESG concepts into its operations, creating sustainable value for stakeholders, and fulfilling its responsibilities as a corporate citizen. We are devoted to integrating ESG philosophy into the daily operations of each Group industrial segments and each Management Centres of the Group’s headquarters, to promote sustainable business development of the Group.



Integrating the ESG concept into the daily management of various departments

Strengthening the internal and external promotion of ESG concepts and responsibility management

Approach

ESG GOVERNANCE STRUCTURE

Evergrande Group has highly considered the importance of the risk management and internal control, establishes and continuously improves the risk management system and structure, and implements risk management including sustainable development risks. The Group has established ESG governance structure, which covers from the top-down supervision. To unify management on ESG-related matters, this risk governance structure is integrated with the ESG governance structure. During the Reporting Period, the Group managed the risks and opportunities associated with climate change and clarified the role of the Board in terms of climate-related risks and opportunities.

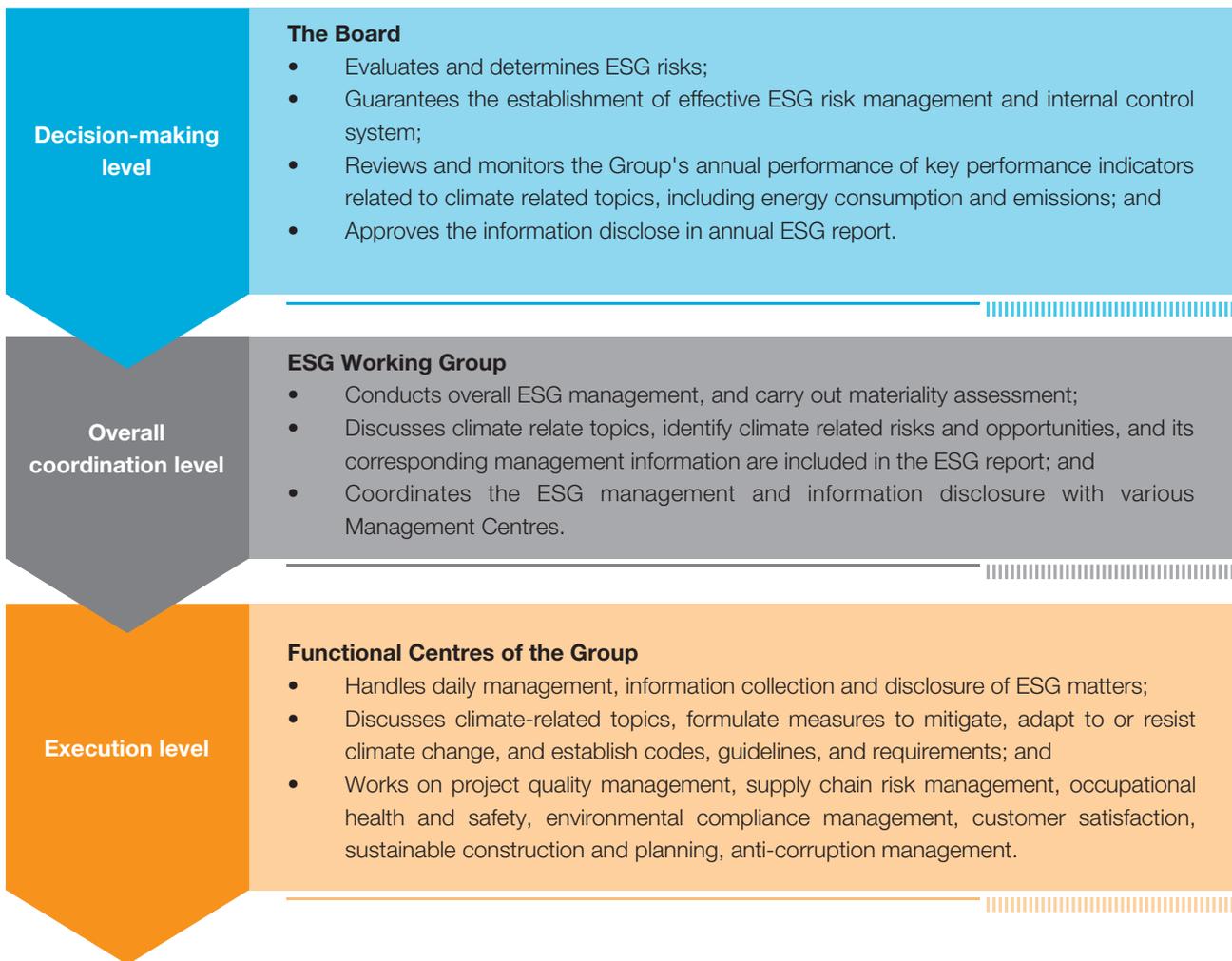
The ESG governance adopts the structure, in which the Board is responsible at the decision-making level, and manages from top to bottom, by supervises, identifies, examines, and evaluates the group's ESG risks. The Board acknowledges and discusses ESG-related topics through shareholders' general meetings, board meetings and other channels, and further issues instructions on related matters depending on the on-going monitor in each specific circumstances. The Board takes full responsibility in the Evergrande Group's ESG strategy and reporting. The Board is also responsible in reviewing and approving the ESG Report.

The Group has set up the ESG Working Group as an overall coordination level. The Working Group is responsible for coordinating and assisting the daily management of ESG and coordinating various functional departments to continue to carry out ESG management practices, including ESG information collection and report disclosure.

As the executive level, each Management Centre of the Group's headquarters carry out ESG daily management and implementation measures. According to the responsibilities of each department, their daily operation has covered in identifying and managing corresponding climate change risks and opportunities. These aim to minimise the physical risks and transition risks from climate change and enable the Group to capture the climate-related opportunities on time. Therefore, these measures encourage the sustainable development of the Group.

Approach

Evergrande Group's ESG governance structure is divided into various levels in our daily business operations. The ESG management process and the duties performed by each level are as follows:



ESG RISK MANAGEMENT

Evergrande Group conducts continuous risk monitoring and management with risk management procedures, comprising the process of identification, evaluation, response, monitoring, and reporting. Risk management assessment and reporting is carried out at least once a year. Based on changes in internal and external environments and in combination with business nature, operation characteristics, strategic objectives, and risk preference of the management. The Group continuously updates risk evaluation standards and applies commonly recognised evaluation methods and standards to evaluate ESG risks that are most likely to affect the realisation of the enterprise objectives. Relevant risks of sustainable development including but not limited to employment management, bribery, corruption, business ethics, and occupational health and safety have been included into the aforesaid risk assessment. In addition, for environmental management, the Group has evaluated its risks and opportunities on climate change by taking reference from the recommendations of TCFD, to identify the main risks posed by climate change to business operations and the business opportunities from the future climate environment. For more information on the assessment of climate-related risks and opportunities, please refer to the 'Climate Change' section of this Report.

Approach

ESG STRATEGY

Evergrande Group continuously focuses on the six categories of sustainable development, including employment management, operational practices, product responsibility, business ethics, community investment and environmental management, in accordance with the SDGs. The Group constantly reviews the environmental and social impacts of our business, clarify sustainable development goals and key issues. The strategy and vision of the six sustainable development areas of Evergrande Group are as follows:

Employment Management

- Follow the philosophy of “talent based country and talent-based industry”, which emphasise employment management and team building, introduce and efficiently train talents through multiple channels, and provide employees with a broad and inclusive development platform and promotion;
- Follow the mutual foundation between the growth of employees and the development of the enterprise, and promote personal growth and career development; and
- Aware of employee occupational health and safety, protect employees from occupational hazards in physically and psychologically, and cooperate with national policies to protect employees against the Covid-19 pandemic.

Operational Practices

- Follow the operation philosophy of integrity and compliance, capturing the cooperation with suppliers and guarantee the compliance and effectiveness of operation procedures to promote the stable development of the enterprise; and
- Cooperate closely with responsible suppliers, and integrate the suppliers' environmental responsibility and social responsibility into our business to maintain stable quality.

Product Responsibility

- Provide high-quality products and services to customers; and
- Respect and pay attention to the legitimate rights and interests of customers, increase the control of compliance marketing, customer information and privacy protection, intellectual property rights and other issues, which ensure customers are provided with assured and comfortable services.

Business Ethics

- Adhere the high-quality and moral talent in team, adhere of honesty and integrity, and strive to maintain the high standards in business ethics; and
- Establish the honesty and integrity of corporate culture.

Community Investment

- Encourage industry growth, create more employment opportunities for people, and create more value for the society;
- Assume the original intention of social responsibility, actively respond to the call of the national policy of targeted poverty alleviation, and create outstanding contributions in the fields of industrial poverty alleviation and education poverty alleviation; and
- Overcome difficulties and participate in the prevention and control of the Covid-19 pandemic, which help the society alleviate the blow of pandemic.

Environmental Management

- Adhere the environmental protection and sustainable development, and promise to reduce the impact on the environment in our operations, including emissions management and natural resource consumption;
- Carry out tree planting, greening, emission reduction, and enhance biodiversity;
- Develop green real estate projects and incorporate with sustainable environmental considerations by implementing green buildings and using environmentally friendly materials; and
- Incorporate considerations in climate change and focus on climate-related risks and opportunities, in order to achieve short-, medium- and long-term emission reduction targets.

Approach

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

Insisting on the operation philosophy of “Properties for People”, the Group regards people’s needs and national industrial policy trends as major driving force for the Group’s development, and deeply develops four main operating businesses, i.e., properties for people, cultural tourism, health and well-being management and new energy vehicles. We acknowledge the significance of fulfilling corporate social responsibilities, and regard it as an important cornerstone for the healthy and sustainable development of enterprises.

The Group is a supporter of UNSDGs which aim to tackle climate change and address a range of social needs.

As a responsible corporate citizen, we acknowledge the emerging global trends outlined in the SDGs and commit to contribute and tackle the sustainability challenges. The Group’s ESG strategy is consistent with the SDGs as follows:



Stakeholder Engagement

CONTINUOUS COMMUNICATION MECHANISM

In order to guarantee the ESG Report could give adequate feedback and response to stakeholders' expectations on the Group, we continuously improved the communication mechanism with stakeholders including shareholders, investors, employees, clients, suppliers, governments, and the public. We solicited opinions and suggestions on sustainable development from the Group's stakeholders, examined the importance of the ESG category to the Group, which allows us to make continuously enhancement in our strategic planning. Therefore, we strive to achieve and develop common values with stakeholders.

Stakeholders	Main communication channels	Expectations and appeals	Communication and response
Shareholders and investors	<ul style="list-style-type: none"> Annual general meetings Official website of the Group Promotion meetings/roadshow Investor hotline/email 	<ul style="list-style-type: none"> Financial performance Investors' interests Operation transparency Risk Management 	<ul style="list-style-type: none"> Improve profitability Convene general meetings Daily information disclosure Risk control and management
Employees	<ul style="list-style-type: none"> Labour union of the Group OA system of the Group Performance appraisal/interview Training Employee-caring/welfare activities 	<ul style="list-style-type: none"> Career development Remuneration and benefits Healthy and safe working environment Listen to employees' feedback 	<ul style="list-style-type: none"> Establishing talent cultivation channels Guaranteeing competitive salary and benefits Improving health and safety management system Employee communication and complaint mechanism
Customers	<ul style="list-style-type: none"> Official website of the Group Customer visit/satisfaction survey 400 hotlines Customer service platform at official WeChat Account Open day activities of construction sites 	<ul style="list-style-type: none"> Product quality Customer service quality Customer privacy safety Customer' rights protection 	<ul style="list-style-type: none"> Strengthening quality control All-round thoughtful services Network security permission setting Compliance marketing
Suppliers and partners	<ul style="list-style-type: none"> Suppliers' skill exchange/training sessions Excellent suppliers' commendation meetings Suppliers' recruitment field trips Inspection and evaluation of suppliers 	<ul style="list-style-type: none"> Communication and exchange Integrity cooperation Win-win cooperation Business ethics and reputation 	<ul style="list-style-type: none"> Improving supplier cooperation mechanism to promote the daily communication Encouraging responsible supplier chain Performing contractual obligations in accordance with laws and regulations
Government and regulatory authorities	<ul style="list-style-type: none"> Reporting tax information Reporting information under regulatory requirements 	<ul style="list-style-type: none"> Operate in compliance with laws and regulations Tax payment in accordance with the laws and regulations Respond to national policy Support local development 	<ul style="list-style-type: none"> Law-abiding operations Tax payment on time and in full Actively implementing related policies Undertaking social responsibilities
Community and the public	<ul style="list-style-type: none"> News report Public information disclosure Official website of the Group WeChat Official Account 	<ul style="list-style-type: none"> Care for the poor Support to social welfare Environmental protection Promotion of social progress 	<ul style="list-style-type: none"> Participating in targeted poverty alleviation Participating in charity events Adhere to green operation Sharing development achievements

Materiality Assessment

The Group conducted an annual ESG materiality assessment using online survey. It has considered a comprehensive range of topics, including the environment, climate-related, employment and labour, operations, products, and community contributions, etc. The importance of material topics regarding to the Group's strategy and business has determined and prioritised, which use to clarify the focus on disclosure in this Report and respond to stakeholders' expectations and aspiration.

The process used to evaluate ESG materiality issues in 2021 are as follows:

1 Identify issues

- ESG issues that the Group and its stakeholders may reasonably consider as important are selected from a variety of sources (including listing rule requirements, industry trends and internal policies). We have identified 32 issues and grouped them into four categories: Environment, Employment and Labour Practices, Operating Practices and Community Investment.

2 Online surveys

- Conducted online surveys to rate the importance of each issue from the perspective of a stakeholder and the Group using a scale of 1 to 5. According to the scores in the survey, set the threshold for materiality (i.e., at a score of average) and prioritised the list of sustainability issues.

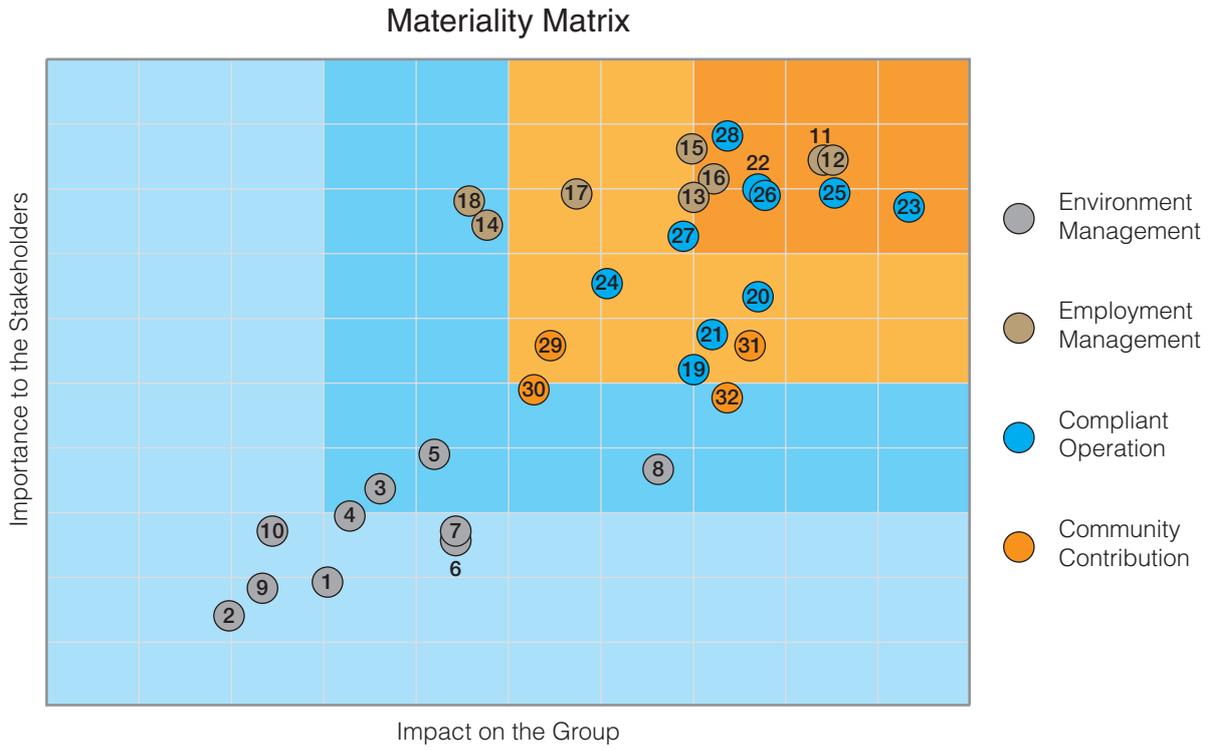
3 Determine the material of the issues

- The management reviews the materiality matrix and consider from the perspective of stakeholders and the Group. Took the ESG issues with scores at the median or above, and listed as the material topics in sustainable development that the Group shall address and report.

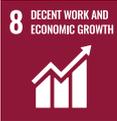
Materiality Assessment

MATERIALITY MATRIX

As of 2021, the Group ESG materiality matrix is as follows:



Materiality Assessment

Category of Issues	Name of Issues	Response to the UNSDGs
Environment Management	1. Air emissions management	         
	2. Greenhouse gas (“GHG”) emissions management	
	3. Waste management	
	4. Energy management	
	5. Water and effluent management	
	6. Material and packaging management	
	7. Natural resource management	
	8. Green infrastructure research and promotion	
	9. Biodiversity	
	10. Climate Change	
Employment Management	11. Employment practices	     
	12. Talent attraction and retention	
	13. Diversity and equal opportunities	
	14. Anti-discrimination	
	15. Occupational health and safety	
	16. Staff development and training	
	17. Human rights in the workplace	
	18. Prohibition of child labour or forced labour	
Compliant Operation	19. Responsible supply chain management	   
	20. Operating performance and investor rights	
	21. Compliance with regulations on marketing, product, and service labelling	
	22. Customers’ privacy and confidentiality	
	23. Customer satisfaction	
	24. Intellectual property	
	25. Safety and quality of projects/services/products	
	26. Business ethics	
	27. Anti-unfair competition	
	28. Anti-corruption	
Community Contribution	29. Public policy	    
	30. Protection of cultural monuments	
	31. Community investment	
	32. Communication and connection with local community	

Materiality Assessment

Evergrande Group conducts stakeholder engagement activities with internal and external stakeholders by online surveys and formulates a materiality assessment matrix based on the results obtained. The materiality assessment and prioritisation consider two aspects, including the importance of issues to stakeholders and the Group. The topics in the upper right corner are of relatively high importance to stakeholders and the Group's business. In 2021, we added issues of "Biodiversity", "Anti-discrimination" and "Human rights in the workplace" to the list of ESG material issues.

According to the materiality matrix, the ESG issues that the Group considers to be important are as follows:

Customer satisfaction	Talent attraction and retention	Employment practices	Safety and quality of projects / services / products
Anti-corruption	Business ethics	Customers' privacy and confidentiality	Staff development and training
Occupational health and safety	Diversity and equal opportunities	Operating performance and investor rights	Anti-unfair competition

In the following chapters of this Report, each topic will be disclosed in detail, and the results of this materiality topic assessment will be used as a reference and guideline for the 2021 ESG management and planning. Looking ahead, the Group will continue to improve its ESG governance and performance in response of the expectations of various stakeholders of the Group.

Operations Measures

SUPPLY CHAIN MANAGEMENT

Evergrande Group closely cooperates with suppliers to provide high quality and safe materials and excellent service to customers. The Group strictly complies with the “Law of the People’s Republic of China on Bid Invitation and Bidding”, and the “Anti-Unfair Competition Law of the People’s Republic of China” on bidding activities and carries bidding activities following the principle of integrity. To ensure the transparency and fairness in supplier selections, and safeguard the interests of customers, suppliers, and enterprises.

As a responsible enterprise, Evergrande Group value the sustainable development of its supply chain and integrating sustainability into core business as one of our missions. In addition to the safety and quality of suppliers, it also focuses on the supplier’s performance on environmental and social responsibilities, which aims to contribute to the realisation of SDG 12 that relates to responsible consumption and production.



The suppliers of the Group are all within top ten in the industry. During the process of selecting supplier and business partner, the Group strictly implements investigation during the supplier selection process. In this selection process, we not only consider economic and commercial factors, but also strictly evaluate whether they comply with all applicable laws and regulations. In addition, we consider other factors such as background, ability, cost, reputation, quality control and performance on corporate social responsibility of the suppliers.

Supplier recruitment

Fairness and justice are the basic requirements of Evergrande Group in tendering and purchasing process. The Group implemented the supplier management mode of “Recruitment before Bidding”, formulated internal policies, including the “Tendering and Bidding Management System of Real Estate Group”, the “Real Estate Group Purchasing Management System” and the “Evergrande Group National Material Equipment Purchasing and Supply Management System”. These internal policies strictly regulate the recruitment, tendering, bid evaluation and selection of suppliers, ensuring that the supplier recruitment process is transparent and fair. After the recruitment of suppliers, the Group will continuously adopt the dynamic assessment on suppliers’ recruitment, with Enterprise Resource Planning (ERP), the bidding management system, which guarantees the quality of recruited suppliers.

Operations Measures

The bidding management mechanism of Evergrande Group is as follows:

Supplier selection
<ul style="list-style-type: none"> The Bidding Pre-screening Centre directly contracts the main body, decoration, garden construction, intelligent engineering and other projects, and is assessed by the Group's Bidding Pre-screening Centre
Searching of units by recruitment group
<ul style="list-style-type: none"> Conduct back-to-back independent check by the Bidding Pre-screening Centre, the Design Management Centre, and the Material Company
Selection of units
<ul style="list-style-type: none"> The relevant responsible person of the Group selects and determines the shortlisted units independently
Recruitment of qualified units after inspection
<ul style="list-style-type: none"> Conduct on-site inspection, give opinions on inspection and assessment, and request approval by Group's the Bidding Pre-screening Centre, the Design Management Centre, and the Material Company
Signing contract with the winning bidder
<ul style="list-style-type: none"> The Group signs contract with the winning bidder
Management and maintenance on approved unit database
<ul style="list-style-type: none"> The Bidding Pre-screening Centre, the Design Management Centre, and the Material Company are responsible for making updates on suppliers' information in the unit database in every six months

Suppliers' dynamic management

The Group continuously carries out dynamic assessment on suppliers recruited with ERP bidding management system, to guarantee the quality of suppliers recruited and encourage suppliers to improve their qualities. During the cooperation, the Group also provides communication and exchange platforms and training activities for suppliers to promote their mutual growth. Before establishing any business relationship with a new supplier, the Group will conduct due diligence to understand the supplier's background and the relationship with the Group.

Operations Measures

To ensure the quality of our suppliers, we regularly conduct audits on major suppliers by an audit team composed of various departments of the Group to check whether they comply with relevant laws and regulations. The Group also regularly updates professional and industry standards and qualifications, and according to suppliers' nature of construction and material to conduct quarterly or annual assessments. The Group applies the "Investigation Report" and "Investigation Standard Form" to evaluate and record the current quality inspection performance of suppliers, including but not limited to production process, product quality, after-sales service, compliance with relevant laws and regulations, and the status of the previous assessment. Evaluate the follow-up of items that need to be corrected and other aspects. The inspection and evaluation reports are unified and entered the database for follow-up in the future.

Dynamic management of suppliers

- Upon the investigation and after qualified suppliers are recruited, Evergrande Group will continuously carry out dynamic assessment on suppliers recruited with the ERP bidding management system;
- The Group conducts classified management and quarterly or annual comprehensive evaluation for engineering units; and
- The Group regularly organises suppliers training and meeting to promote their mutual growth.

For engineering suppliers, the Group has formulated and implemented the "Construction Unit Evaluation Implementation Rules", conducted classified management and comprehensive appraisal under quarter basis. The assessments on engineering suppliers, including but not limited to the progression rate, quality conformity rate, safety and civilisation success rate, overall performance, cooperation and whether there are major problems. The Group carries out the sorting and inspection work on the engineering unit in the database, and arranges offline suppliers enter the online unified management system. For those units are involved problems such as incomplete recruitment materials, non-compliant procedures, and construction qualifications, which cannot meet the requirements, they will be required to rectify problems or may replace by alternatives engineering units.

For materials and equipment suppliers, the Group adopts differentiated management measures. The annual renewal and elimination are based on the quarter basis assessment, annual rating assessments, excellent suppliers' performance, and distribution of supply of the year. As the consideration regarding the difficulties for materials and equipment suppliers to produce and supply the large scale of purchasing order, the Group is prioritised in selecting large-scaled suppliers, powerful strength, prompt supply, good quality and considerate service, which are the keys in supplier selection to guarantee a stable supply chain.

Operations Measures

Responsible Supply Chain

Evergrande Group has continuously concerned about their supply chain in fulfilling the social responsibilities, including in environmental protection, occupational safety, and integrity. The Group has required on suppliers to achieve the Evergrande standards in all aspects. The Group focuses in risks of sustainable development, and actively promoted the green and environmentally friendly procurement, which has set up the investigation and assessment for suppliers, and this has seen as the monitor and control method during the cooperation with suppliers. In terms of environmental protection, suppliers are strictly abided by the “Law on the Management of the Environmental Inspection of Completed Construction Projects” and other laws and regulations. The investigation and assessment criteria have specifically covered the checking on environmental impact assessment reports, emission discharge licenses, and more environmental compliance certificates etc. For manufacturing suppliers, the investigation and assessment have focused on their product quality management system about their production process, including the raw materials, the factory environment, and the quality control methods of finished products. All suppliers should be qualified in order to be shortlisted. In terms of social responsibility, the Group refuses to cooperate with suppliers which are violated against the environmental and social labour laws and regulations in the regions where it operates, which is to reduce the environmental and social risks in the supply chain and helps to maintain the stability of our business operations. In addition to the supplier’s own management, the Group has also assisted in managing their supply chain, in order to minimise their environmental and social risks during the supply. The Group has formulated and implemented the “Administrative Measures for the Protection of Migrant Workers’ Rights and Interests” and other internal systems, which has taken as reasonable and effective measures to protect the basic rights and interests of workers. These measures have managed the occupational safety, legal remuneration, and provide various appeal channels that effectively protect the rights and interests of workers.

During the Reporting Period, the cooperated factories of the materials company have achieved the national standards of the country, and some of those cooperated factories have achieved the ISO-9001 Quality Management System and other third-party system certification etc..

1. Setting up of migrant workers’ rights and interests protection centre

2. Introduction of real-name system for the management of migrant workers

3. Establishment of blacklist database of management personnel from construction units

4. Establishment of bank payroll system

5. Commencement of law introduction education

Compliant employment management

Operations Measures

The Group has a wide range of suppliers, mainly covering engineering construction categories (construction units) and materials and equipment categories (wooden boards, wall paint, floor paints and waterproofing membranes, etc.). During the Reporting Period, the total number of suppliers in the Group has reached 24,854, and its suppliers were in 29 provinces, regions, and municipalities in Mainland China. The Group advocates localised procurement to reduce carbon emissions during transportation and further promote local economic development. During the Reporting Period, the Group has not recognised any actual and potential significant negative impacts on business ethics, environmental protection, human rights, and labour measures by any major supplier, nor have any violations related to human rights matters. We are committed to maintaining long-term cooperative relationships with suppliers, service providers and business partners, encouraging them to maintain high standards of business ethics and conduct.

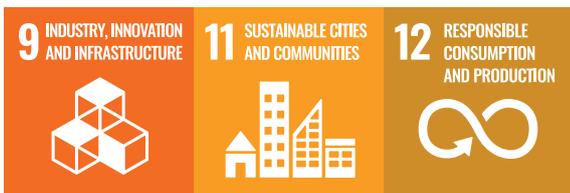
The number of suppliers by region is shown in the table below:

Number of suppliers as of 31 December	2021	2020
Beijing City	766	1,252
Tianjin City	776	540
Shanghai City	15	1,095
Chongqing City	906	943
Hebei Province	667	1,292
Shanxi Province	928	870
Liaoning Province	798	850
Jilin Province	367	408
Heilongjiang Province	518	507
Jiangsu Province	1,814	2,490
Zhejiang Province	2,234	1,504
Anhui Province	1,006	1,303
Fujian Province	658	886
Jiangxi Province	840	714
Shandong Province	1,803	1,552
Henan Province	1,001	1,186
Hubei Province	957	1,156
Hunan Province	1,183	1,255
Guangdong Province	1,546	3,810
Hainan Province	295	334
Sichuan Province	856	1,054
Guizhou Province	617	440
Yunnan Province	623	537
Shaanxi Province	532	757
Gansu Province	788	577
Qinghai Province	0	57
Inner Mongolia Autonomous Region	655	7
Guangxi Zhuang Autonomous Region	822	763
Ningxia Hui Autonomous Region	304	615
Xinjiang Uygur Autonomous Region	579	10
Hong Kong, Macao, Taiwan, and overseas regions	0	426
Total	24,854	29,190

Product Responsibility

Product and service quality is a top priority of Evergrande Group's sustainable development. The Group strictly abides by the "Civil Code of the People's Republic of China", the "Construction Law of the People's Republic of China", the "Work Safety Law of the People's Republic of China", the "Law of the People's Republic of China on Urban Real Estate Administration", the "Regulations on Urban Real Estate Development and Management Control" and in accordance to laws and regulations from the real estate project product design, safe and civilised construction, to create high-quality houses, from design, construction, materials and delivery. These strictly control the quality of the product's entire life cycle. Meanwhile, the Group values the legitimate rights and interests of customers, and strictly abides by the "Civil Code of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "Advertising Law of the People's Republic of China" and relevant laws and regulations, to strengthen the compliant operations, customer information and privacy protection, intellectual property rights. This ensure that customers received reliable and comfortable services. During the Reporting Period, the Group has regularly convened the "Guarantee Building for Resumption of Work and Production" meetings. Especially during the "Guarantee Building Commitment Ceremony", we promised the Group's purpose to focus on project construction and resume production and operation of product responsibility.

The Group has continuously strengthened the sales, after-sales, property, and other services regarding the construction and gradually enhances the quality of services and projects. These aim in fulfil the achievement in SDG 9 relates to industries, innovation and infrastructure, the SGD 11 relates to sustainable cities and communities and SDG 12 relates to responsible consumption and production.



During the Reporting Period, the Group has not recognised any material non-compliance related to product responsibility.

PRODUCT SAFETY AND QUALITY

Evergrande Group is committed to improving product quality and safety. We believe that the safety, reliability and quality of products and services are critical to the success of the Group. Therefore, Evergrande Group has implemented quality control procedures covering all aspects and stages of business operations to ensure product quality and its safety in order to provide quality services.

With years of effort and experience, the Evergrande Group has formed a comprehensive project quality and safety management mechanism, which the construction is strictly accordance with national norms, local standards and industry standards, including but not limited to the "Safe and Civilised Construction Standards" and the "Unified Standards for Construction Quality Acceptance of Construction Engineering GB503002013", and implementing internal systems such as the "Real Estate Group Design Management System" and the "Engineering Construction Management System". The Quality Control Team are jointly formed by the Bidding Pre-screening Centre, the Design Management Centre, the Material Company, and other departments. The Group has adopted the comprehensive construction contract with the construction unit from the design, construction and, the before and after delivery, which effectively manage the quality of projects, and guarantee the high-quality goods during the whole production process.

Product Responsibility

Product Design Quality

Evergrande Group has implemented the management system of the “Design Management System” that formulates standard optimisation plans, which focus on the concerns from property owner and project optimization. For example, reinforcement design schemes, smart community intelligent schemes, residential green buildings, and prefabricated implementation schemes, etc., in which to enhance and optimise the product design standards. The Group has implemented management system of the “Engineering Construction Management System”, which assess in the range of design quality regarding to the buildings and landscape. The assessment area has covered the preliminary drawings, construction plan, working drawings, changes in design, adjustments on projects, and implementation of design, etc. The Group’s design units are participated in the delivery and inspections stages, including drawings, the three-level joint inspection, and acceptance checks. Also, they are responsible in handling on-site design problems in a timely manner and conduct on-site inspections according to the construction situation on site according to the design drawings. This is to ensure the quality of design and the implementation of design.

Evergrande Group’s Engineering Construction Management System is as follows:

Design	Design Management			
	<p>The Three-level quality control of construction drawing is:</p> <ul style="list-style-type: none"> (i) Examined and Verified by Regional General Engineer’s Office (ii) Reviewed by the Design Management Centre (iii) Inspected by Design Cost and Quality Control Centre on a Sampling Basis 			
Construction	Material and Procurement Management		Planning and Construction Management	
	<p>Material testing standard</p> <p>Conduct sampling and inspection on materials and equipment related to performance, safety, environmental protection, etc.</p> <p>Supplier factories inspection</p> <p>On site materials inspection is randomly sampled. Suppliers are evaluated on a quarter basis, based on performance, including delivery time, quality, and service.</p>	<p>Five-level quality control management</p> <ul style="list-style-type: none"> • Engineering Department • Regional company • Bidding Pre-screening Centre • Comprehensive Management Centre • Material Company 	<p>Three-level quality control system</p> <p>The Group headquarters, regional companies and project companies conduct project acceptance according to national standards. To strengthen the acceptance process and inspection mechanism, suppliers are required to pass for each check before processing to the next stage, which verify the quality of each acceptance.</p>	<p>Two-level quality safety control system</p> <p>Safety and civilisation inspection</p> <p>The region conducts monthly self-examination and self-correction; and The Group inspection team conducts monthly inspections.</p> <p>Safety education and training</p> <p>The Group and regional construction units conduct safety training.</p>
Before Delivery	Construction units conduct self-inspection	Passed the initial inspection of the engineering department	Open for property owners for household acceptance	
After Delivery	Return visits of delivery projects	Establishing After-sales Service Centre and 400 hotlines	Property management company providing considerate service	

Product Responsibility

Construction Quality

Material and Procurement Management

Evergrande Group prioritises the quality of materials and implements various standards and internal guidelines, including the “Product Quality Standards”, the “Product Acceptance Standards”, the “Product Protection Standards”, the “Construction Technology Standards”, the “Testing Management Measures” and the “Material Storage Standards”. These qualifying standards and inspection mechanism are used to guarantee the quality of construction by ensuring that only high quality, environmentally friendly, and safe products are chosen and signed in construction contract.

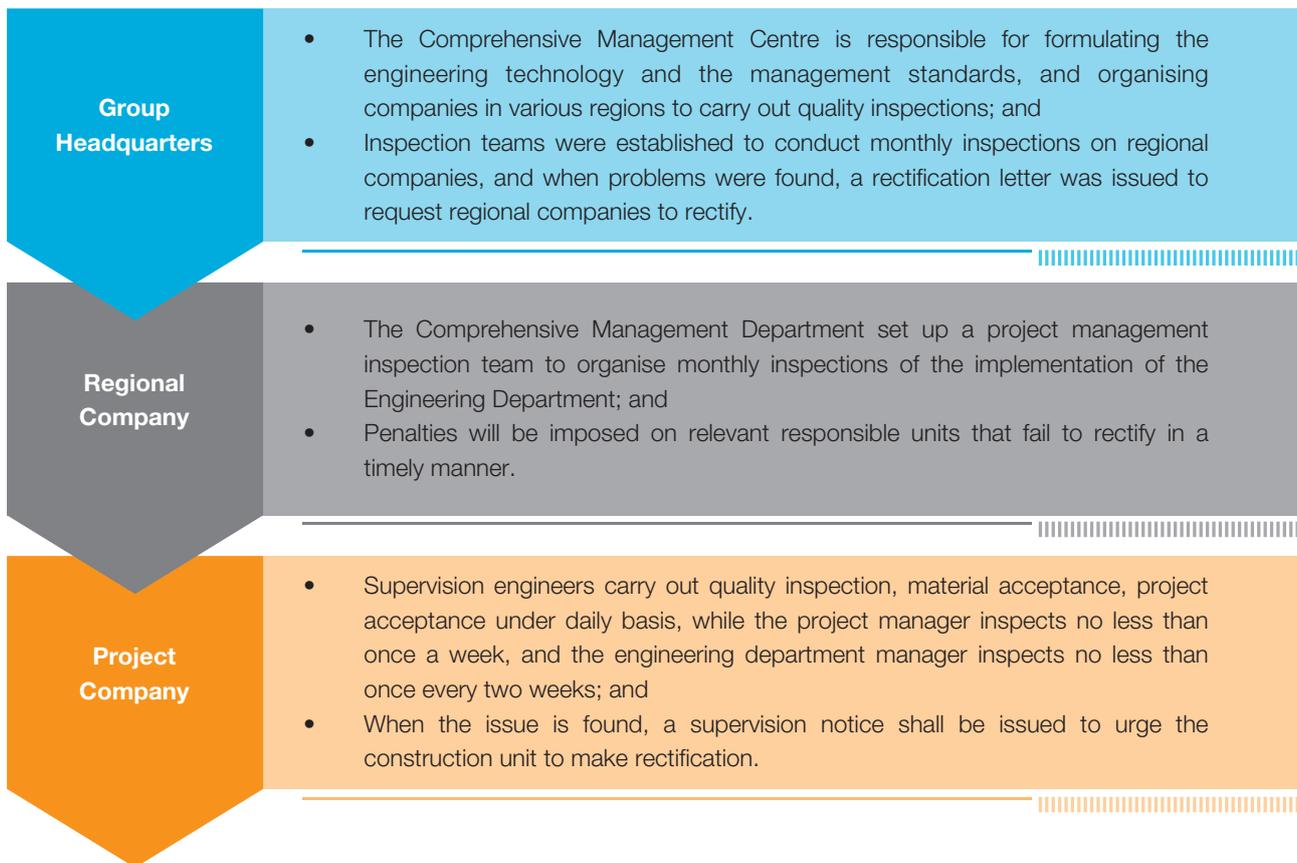
Evergrande Group’s material quality control system is mainly managed and controlled by the material company, comprehensive management centre and regional companies. The details are as follows:

Material quality control system	
Factory investigation	The inspection confirms that the supplier’s own factory has complete production equipment, processes, and operating specifications, and strictly verifies the validity of ISO 9001 and other quality management system certification documents and national standard certification.
Product review	Suppliers are required to comprehensively respond to the Group’s product standard requirements, and provide products in kind for product standards, product selection, physical proofing, use effect and product testing and other reviews.
Factory inspection	<p>Conduct surprise inspections on raw materials, semi-finished products, manufacturing procedures and quality of finished products from time to time during cooperation to guarantee the manufacturing process could meet the quality standards; and</p> <p>Establish factory monitoring system to conduct real-time monitoring on factory production.</p>
Sampling inspection	During the cooperation process, we formulate a sampling inspection plan for each material category, conduct quarterly inspections and sampling inspections, evaluate suppliers, and issue quarterly annual results.
On-site acceptance	Each batch of materials shall be jointly inspected by the Material Company, Project Company, and Construction Unit. Samples shall be chosen to be compared with the acceptance sample, and the appearance quality and accompanying inspection report shall be examined.

Product Responsibility

Planning and Construction Project Management

Evergrande Group formulates and implements the “Engineering Construction Management System”, which formulates the quality standards for project construction and decoration projects, strengthens, and refines construction quality standards and inspection specifications, and ensures that quality requirements are implemented through a sound inspection and training mechanism. The Group’s quality management system covers three regulatory levels, including the group headquarters, regional companies, and project companies. The specific quality management work is as follows:



The Group has established the inspection team, which conducts national project inspections, self-inspection that in terms of structural safety, production safety, product quality and technology, investigation in various problems, and implementation on rectifications in each project. In addition, in order to strengthen the effective management and control of the construction unit, the Group has continued in developing and improving the construction of the smart construction site system. This information system is applied and assisted in recognise the on-site information, which includes real-time monitoring of the construction quality control of the construction site:

<p>Engineering management information platform</p>	<p>Cooperative platform of construction units</p>
<ul style="list-style-type: none"> • Conduct daily quality scoring and daily inspection on the project construction • Send the problems found in the quality inspection to the relevant responsible construction unit for rectification, and conduct an overall assessment on their quality management of construction unit 	<ul style="list-style-type: none"> • Carry out daily ledger management and system implementation, online quality inspection management platform, mainly including management of quality inspection, material acceptance, visa management and completion inspection

Product Responsibility

Quality control before and after delivery of the progression

In order to ensure the quality of delivery, Evergrande Group strictly conducts quality inspection before delivery, organises multi-departmental joint inspection and evaluation, checks potential delivery risks, identifies, and solves potential risks in advance, and minimises the actual occurrence of quality risk events. After the acceptance by the Engineering Department and the decoration unit, the Engineering Department initiates an application for the approval of property management company's household inspection, and lastly carries out the delivery work. After the delivery of possession, we will understand the customer's needs and suggestions through the property owner's open day, etc., and effectively improve the quality of future product delivery from the owner's perspective.

Looking ahead, in order to effectively monitor quality and safety of design, construction and delivery, the Group will continue to review the engineering construction management mechanism, the overall project design and project construction. Hence, it aims to strengthen the product quality and safety.

SERVICE QUALITY

Evergrande Group persevere with customers, focuses on providing high-quality products and perfect services, and strives to continuously improve customer satisfaction. The Group strictly abides by relevant laws and regulations including the "Civil Code of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", the "E-Commerce Law of the People's Republic of China" and the "Advertising Law of the People's Republic of China", which protect the rights and interests of consumers. The Group is committed to providing excellent quality products and services to customers.

Customer Communication and Feedback

Evergrande Group values customers that implements the customer-oriented service concept, establishes a standardised and professional after-sales service management system, and continues to provide products and services that strive for excellence. In order to build an honest, sunshine, and transparent sales environment to protect the legitimate rights and interests of customers.

The Group closely understands the needs and suggestions of customers through sales satisfaction and property satisfaction surveys. This aims to rectify and allow greater improvement in various business links and provide customers with more satisfactory products and services. The Group classifies and summarises the problems into two types: commonness and individuality and takes different measures for the main problems learned in the sales service satisfaction survey and rectifies them in time to maximise customer satisfaction.

In terms of after-sales service, the Group has taken into account customer complaints and opinions, and adopted the attitude of "communicating everything, giving feedback everywhere, and implementing everything". The Group has implemented the "After-sales Service Management Measures of Real Estate Group", by strictly following the complaint handling process, resolving customer concerns in a timely manner, and ensured the effective implementation of complaint management requirements through a sound supervision and management mechanism.

After-sales service is categories into two segments. The first is to accept inquiries from customers with regards to sales, signing contracts, handing over buildings, and applying for certificates. The second is the customer service department that accepts customer complaints and suggestions. Customers can provide feedbacks and complaints, and comments via a 24-hour "400 customer service hotline", "WeChat official account", "project property reception desk" and other channels. After receiving complaints, the After-sales Service Centre of the Group classifies the contents of complaints, issued the "Demand Form" and "Customer Complaint Supervision Order" according to the level of the request to corresponding departments and regions or projects, and asked the relevant personnel to follow up and deal with it as stipulated; the After-sales Service Centre are responsible in supervising the complaints, handling complaints, keeping case on track, working on coordination and supervision, and investigating and revisiting the compliant cases. These are to ensure the regional companies handle customer complaints and protect the legitimate rights and interests of customers.

Product Responsibility

During the Reporting Period, the Group received a total of 490,048 complaints and their handling conditions are as follows:

	Number of complaints received	Complaint Handling Completion Rate ²	Complaint Handling Satisfaction ³
400 Hotline	370,778	97.70%	3.83
WeChat platform	93,017	98.75%	3.83
Property service centre	26,253	88.68%	4.60

Product Advertising and Labelling

Evergrande Group attaches great importance to the compliance marketing about product advertisements and implemented and in accordance internal systems in advertising management such as the “Evergrande Group Management Measures”, and the “Measures for Marketing Management of the Real Estate Group” and the “Management Measures for Integrity Sales of Newly Launched Projects of the Real Estate Group”. Furthermore, we abide by the “Advertising Law of the People’s Republic of China” and other relevant laws and regulations to standardise the advertising and labelling measures in the operation. In order to strengthen the control and supervision of integrity marketing, the Group is committed to providing customers with transparent and responsible marketing services to ensure that customers obtain clear and accurate information before purchasing products, and to protect consumers from false product descriptions, misleading contents, misrepresentation of information of goods and services.

The management and control of the Group’s advertising materials are as follows:

Management and control on advertisement materials

- The sales materials for external publicity of all the projects shall be jointly reviewed and signed by persons in charge of relevant department such as the marketing department and general engineer’s office of regional companies, and may be used upon approval and signature by leaders in charge of marketing of regional companies;
- Publicity materials such as the first publicity poster and publicity film shall be submitted to the leaders in charge of the Group’s Marketing and Branding Centre for approval before the launch of new projects;
- Regional companies shall refer to the regional marketing plan according to the marketing and promotion theme and advertisement plan of the Group, which shall be implemented upon approval by the leader in charge of the Marketing and Branding Centre of the Group after review by the leader in charge of marketing of regional companies.

In order to effectively supervise the compliance of product advertisements and labels, the Group will continue to review the promotion of advertising materials. Immediate corrective action will be taken if any unclear and/or misleading information is found in the Group’s advertising materials. During the Reporting Period, the Group has not identified any relevant major non-compliance matters.

² The standard for the completion of complaint handling is that the department and the customer have been able to reach a consensus conclusion and the department’s handling of complaints has been approved by the customer.

³ The full score of complaint handling satisfaction is 5 points.

Product Responsibility

INTELLECTUAL PROPERTY RIGHTS

Evergrande Group has focused on the protection of intellectual property rights and has strictly abided by the laws and regulations in the region where it operates, including but not limited to the “Patent Law of the People’s Republic of China”. The Group implements the “Intangible Assets Management System” and the “Intellectual Property Management System of Evergrande Group” and internal operational guidelines. The Group manage intellectual property rights from development strategy, management mechanism and management system, which has enhanced management efficiency and data security by virtue of intellectual property information management system. This keeps track of competitors, industry, and market development trends under timely basis, to avoid the risks related to intellectual property rights.

The intellectual property right of Evergrande Group is mainly the technologies and designs we use in the construction and real estate operations. The Group’s innovations in production are aimed to contribute to the achievement of SDG 9 related to industry, innovation, and infrastructure.



As of the end of the Reporting Period, Evergrande Group has obtained 67 patents, 294 copyrights and 4,882 trademarks in China. All related intellectual property rights have adopted the Group’s internal management system to protect the Group’s intangible assets. Intellectual property rights are required to report to the Legal Affairs Centre of the Group for record before use, and each type of “review form” should be filled out by the required department, after examination of the responsible person of the department, it will be reported to the Legal Affairs Centre of the Group, and further report to the Group’s vice president for approval after the audit of the Legal Affairs Centre of the Group within 24 hours.

To protect intellectual property rights, all employees must keep the intellectual property information confidential and conduct spot checks on the intellectual property management work of each unit on a regular basis. If leaks and mismanagement is found, the Group Legal Affairs Centre will deal with the relevant persons through report and criticism; if the situation is serious, the Group will pursue legal responsibility.

Business Ethics

Evergrande Group persists in maintaining business ethics and building high quality and good morality. The Group strictly abides by laws and regulation, including the “Criminal Law of the People’s Republic of China”, the “Cybersecurity Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China” and the “Anti-Money Laundering Law of the People’s Republic of China”. The Group implemented and standardised the moral behaviour by the “Eight Prohibitions on Inspection Discipline of Evergrande Group” and the “Evergrande Group Cadres Code 36”. Meanwhile, the Group regularly reviews and inspects employees’ moral behaviour to guarantee their consistency with the Group’s requirements on its business development strategy and corporate culture. To cultivate a civilised and fair working environment, the Group conducts general inspection and supervision on discipline and encourages employees to report anti-behaviour that violates moral standards. In addition, the Group continuously organises training and cadre promotion on business ethics for all employees and contractors, through convening meeting, induction training and promotions, to constantly enhances employees’ moral consciousness and standards.

During the Reporting Period, the Group has acknowledged 10 cases of business ethics violations, including dereliction of duty, bribery, and crimes. In response to those violations of 19 employees, the Group has taken administrative penalties, including dismissal, demotion and salary reduction, and financial penalties. In order to strengthen the moral behaviour of employees and prevent the reoccurrence of such violations of business ethics, the Group continues to review the standards of ethical behaviour and supervise employee’s behaviour, to ultimately create a civilised and equal corporate culture.

INFORMATION SECURITY AND CUSTOMER PRIVACY PROTECTION

Evergrande Group focuses on the protection of customer privacy and information safety and strictly abides by laws and regulations such as the “Cyber Security Law of the People’s Republic of China”. To ensure customer information is properly protected in the Group’s business operations, the Group implements information confidentiality and safety management requirements, including the “Confidentiality System of Evergrande Group”. All employees need to sign the “Labour Contract” and “Confidentiality Agreement” when they enroll to the company. This ensures and prevents the disclosure and leakage of business secrets and confidential information.

In order to strengthen the information security management, the Group has established a clear information safety management structure from top to down, which is directly managed by the vice president. The Group headquarter has established the Information Centre, which is responsible for the formulation of technical standards, resource integration, safety review and supervision. In each Group’s industrial segment, own Information Centre has been established, which responsible in implementing, operating, and keeping maintenance of its information system.

The Group continued to strengthen the development of information security management system. During the Reporting Period, the Group has strengthened its security and newly adding a face recognition system at the Group headquarters’ entrance and exit. In terms of internal information, each unit of department in the Group is determined the confidentiality level and requirements and strengthened new employees through the trainings on information safety; comprehensively promoted and utilised encryption tools for electronic documents and strengthened the secure transmission management of electronic documents. In terms of management, confidential documents and information are keep in locked storage cabinets or archives with restricted access. The Group adopted the strictest segmented password management system in storing customer information. All maintenance is under monitored and audited, which shall be implemented via the operation maintenance audit platform during the whole process. In case of any leakage of customer information, the Group would initiate the system contingency plan and immediately report to the leaders, and strict action will be taken against to those responsible people. The person involved in serious cases are subject to dismissal and possible criminal prosecution under the law.

Business Ethics

In terms of the needs of information and cyber security and proposal design in new projects, the Group reviews, inspects, and regularly carries out regular security loopholes scanning and patch repair of the launched information system. The Group has paid close attention to major security loopholes and cyber-attack risk. We have organised specific inspection on the internet system and equipment and upgraded the outdated hardware equipment and software system. Meanwhile, the Group has continued in strengthening internet applications for external service through security reinforcement and promoted the work of classified protection of cybersecurity certificate.

During the Reporting Period, the Group has not recognised any major non-compliance issues in data protection and privacy.

ANTI-CORRUPTION

To strengthen the integrity development, Evergrande Group established the three-level anti-corruption governance. Under the Group-level, the Supervision Centre is established to responsible to supervise the integrity, “discipline, and economic activities of the operation management activities of each department unit. In each industrial segment and province has established supervision units which are under subordinate and direct management of the Group. The supervision units of each province are responsible in daily management of each unit under the system.

The main purpose of the Group’s anti-corruption governance is to monitor and prevent any internal and external conflicts of interest. If any partner is found and confirmed to be involved in violations of policies, rules, and regulations, we will take legal measures and terminate the cooperation.

The Group strictly abides by all applicable business ethics and anti-corruption laws and regulations formulated by the countries and regions where it operates, including but not limited to:

- The “Criminal Law of the People’s Republic of China”;
- The “Anti-Unfair Competition Law of the People’s Republic of China”;
- The “Anti-Money Laundering Law of the People’s Republic of China”;
- The “Notice of Regulating the Financing of Home Buying and Strengthening Anti-money Laundering Work (Jian Fang (2017) No.215)”;
- The “Interim Provisions on Prohibiting Commercial Bribery”.

The Group is committed in enhancing its awareness of anti-corruption, as well as building honesty and integrity enterprises and business cooperation. These aim to contribute to the achievement of SDG 16 related to peace, justice, and strong institutions.



Business Ethics

Evergrande Group values honesty and integrity, and committed to maintain high standards of business ethics, and prohibits bribery and corruption. All employees, as well as management, must strictly abide to the Group's anti-corruption internal policies, rules, and regulations, related to gifted and corruption, etc. The Group implemented the "Evergrande Real Estate Group Integrity Supervision Work Management Measures" and the "Measures for the Administration of Cash Gift and Gifts". Activities that may be consider as misconduct and misbehaviour are listed out in policies in terms of various circumstances, which are including but not limited to conflicts of interest, criminal offenses, non-compliance on laws and regulations, misconduct with respect to internal controls, accounting and financial matters, bribery, abuse and misappropriate use of the Group's assets or resources, endangerment of the health and safety of employees and stakeholders, violation of the Group's policies or guidelines, improper use or disclosure of confidential or commercially sensitive information, and concealment of any above.

When engaging business relationship with suppliers, the Group strictly abides by internal and external regulations of the "Tendering and Bidding Management System of Evergrande Real Estate Group", the "Materials Company Supplier Management Red Line Regulations" and contract integrity clauses. During the whole bidding and purchasing process, the Group implemented the decentralised management mode, which various teams are required to take their respective responsibilities to prevent bidding manipulation. When the Group is cooperating with suppliers and units, the commitment letter for "Integrity Clauses" is systematically included in the bidding document and agreement contact, and the reporting channels are published on the board in construction site of each project. The Group prohibited all personnel from accepting accommodation arrangements by bidders and cooperative units, and any personal perceived convenience arrangements or benefits such as cash and gifts. For the above requirements shall add on as corresponding additional and shall be attached into the supplier's purchase and sale contracts. The Group actively facilitated the effective implementation of the internal anti-corruption management and relevant supervisory mechanism for suppliers, which encourage suppliers to build an integrous commercial relationship.

When corruption or bribery incidents are discovered and received to the Group, the handling specialist from the Monitoring and Supervision Centre is responsible in determining the reported information, report to the department leader, and pass the investigation to the corresponding province supervision unit. The investigation is based on the veracity and to make conclusion for proceed to next stage. This is according to whether there are violations and against to the law, and to decide whether keep documentation and follow up about case. In case of any suspected illegal case, the Supervision Centre will report and get approval for prosecution by the Group's executive directors and the Group chairman.

During the Reporting Period, the Group was involved in five non-compliance cases regarding anti-corruption, including bribery, collusion, and occupational embezzlement. For these illegal cases of corruption and fraud litigation, the Group's employees were prosecuted and handled by the national judicial department. In order to prevent future corruption, the Group will continue to strengthen the daily work of the Monitoring and Supervision Centre. In order to prevent such corruption may happen again, the Monitoring and Supervision Centre will strengthen promotion on anti-corruption awareness, arrange anti-corruption training, and strive to create the integrity and honest corporate culture.

Business Ethics

Anti-corruption training

Evergrande Group continues to conduct anti-corruption training for employees and to promote anti-corruption and integrity culture. The Group's Monitoring and Supervision Centre is established and responsible in managing the anti-corruption promotion and education. This is seen as the primary framework used to develop the integrity culture within the Group. We provide anti-corruption and clean government training to all employees. The content of the anti-corruption training includes the integrity workplace culture in construction industry, the awareness of integrity and self-discipline, etc. The Group has prepared and established the "Evergrande Group White Paper for Anti-Corruption" (恒大集團反腐倡廉白皮書), and promoted to our business partners, in order to build the fair, honest and integrity business relationship.

Looking ahead, the Group will continue to review and strengthen the anti-corruption management of the Monitoring and Supervision Centre, and strive to promote anti-corruption awareness, aiming to build the integrity corporate culture.

WHISTLEBLOWING POLICY

The Group has established Whistleblowing Policy which is listed in the Compliance Policy Guidelines. It is an important component in developing an effective risk management and internal control system, which aims to achieve the standards of high openness, integrity, and ethical business practices. This policy provides employees and third parties the reporting channels and guidelines to report any actual or suspected misconduct or misconduct in the Group. The main channel for whistleblowing includes reporting hotline, E-mail, and internal communication software, etc. Additionally, the "notification letter of reporting channels" has been set out in prominent positions at each office area, project construction site and sales centre. The Group implements the principle of protecting whistleblower, and all reports are supported the anonymity of whistleblowers. In the whistleblowing system, the confidentiality requirements for whistleblower information are listed, and the confidentiality of supervisory file information is strictly stipulated. The Group has noticed the potential of retaliation actions in advance and paid close attention to the reported incidents. If there are malicious or false reports and reports for personal interest, the Group will take appropriate measures to pursue any person to make up for any loss or damage caused by the false report. The Monitoring Supervision Centre will regularly review and manage the breaches of the whistle-blowing policy and reporting mechanism, in order to ensure the effectiveness of its policies.

Employment Management

Evergrande Group is an extensive and inclusive platform. We cherish every employee and provide them with a decent development platform and career path, so that every employee can play their strengths under a diversified and positive working atmosphere in the Group. The Group adheres to the philosophy of being people-oriented and employee-caring in employment, continuously promotes employee welfares, and strives to build a harmonious and stable labour relationship. We believe a strong and loyal team is essential to contribute stable business performance and growth.

The Group adheres in implement fair and justice human resource policies through formulating and implementing the “Employee Code”. It strictly abides by the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, the “Social Insurance Law of the People’s Republic of China” and other labour and Social Security Regulations. The Group provides equal employment opportunities to all genders, races, and disabilities within in the recruitment and promotion, which achieve a comprehensive diversity of human resources measures. Meanwhile, when formal employees sign labour contracts, they promise not to employ child labour and forced labour and oppose any form of discrimination.

Our Human Resources Policy is designed to contribute to the achievement of SDG 5 relates to gender equality, SDG 8 relates to decent work and economic growth, SDG 10 relates to reduced inequalities and SDG 11 relates to sustainable cities and societies.



COMPLIANCE ON LABOUR LAWS AND REGULATIONS

The Group protects the rights and interests of our employees by strictly complying with the labour laws in China, including but not limited to:

- The “Labour Law of the People’s Republic of China”;
- The “Labour Contract Law of the People’s Republic of China”;
- The “Social Insurance Law of the People’s Republic of China”;
- The “SPC Provisions on Workplace Injury Insurance Cases”;
- The “Trade Union Law of People’s Republic of China”;
- The “Special Provisions on Labour Protection for Female Employees”; and
- The “Provisions on the Prohibition of Using Child Labour”.

The Group strictly abides by the labour-related laws and regulations in China. During the Reporting Period, the Group has not recognised any major violations related to this.

Employment Management

Employee Profile

As of 31 December 2021, the Group had a total of 121,368 employees. The total number of employees by gender, age group, level, employment type and geographic region are categorised as follows:

NUMBER OF EMPLOYEE AS AT DECEMBER 31		2021	2020 [^]	2019 [^]
NUMBER OF EMPLOYEE	TOTAL NUMBER	121,368	123,276	133,123
	By Gender			
	Male	76,338	Not Disclosed	Not Disclosed
	Female	45,030	Not Disclosed	Not Disclosed
	By Age			
	Below 30	28,741	59,339	Not Disclosed
	30–50	68,217	62,061	Not Disclosed
	Above 50	24,410	1,876	Not Disclosed
	By Level			
	Executive level	171	80	72
	Mid-High level	13,639	8,459	8,436
	General staff	107,558	114,737	124,615
	By Employment Type			
	Full-time	121,106	Not Disclosed	Not Disclosed
	Part-time	262	Not Disclosed	Not Disclosed
	By Geographic Region			
	Mainland China	121,338	Not Disclosed	Not Disclosed
	Oversea	30	Not Disclosed	Not Disclosed

[^] Partially data has not been disclosed in 2019 and 2020.

Employment Management

Employee Turnover

As of 31 December 2021, the Group lost a total of 102,340 employees, with a total turnover rate of 46%. The employee turnover rate by gender, age group and level are as follows:

NUMBER OF EMPLOYEE AS AT DECEMBER 31		2021	2020 [^]	2019 [^]
EMPLOYEE TURNOVER RATE⁴	TOTAL NUMBER (TURNOVER RATE)	102,340 (46%)	Not Disclosed	Not Disclosed
	By Gender			
	Male	65,632 (46%)	Not Disclosed	Not Disclosed
	Female	36,708 (45%)	Not Disclosed	Not Disclosed
	By Age			
	Below 30	44,001 (60%)	Not Disclosed	Not Disclosed
	30–50	47,203 (41%)	Not Disclosed	Not Disclosed
	Above 50	11,136 (31%)	Not Disclosed	Not Disclosed
	By Level			
	Executive level	26 (13%)	Not Disclosed	Not Disclosed
	Mid-High level	3,974 (23%)	Not Disclosed	Not Disclosed
	General staff	98,340 (48%)	Not Disclosed	Not Disclosed

New Hire

As of 31 December 2021, the Group had recruited a total of 104,105 new employees, with a total new recruitment ratio of 86%. The rate of new hire of employees by gender, age group and rank is as follows:

NUMBER OF EMPLOYEE AS AT DECEMBER 31		2021	2020 [^]	2019 [^]
NEW HIRE OF EMPLOYEES RATE⁵	TOTAL NUMBER (NEW HIRE RATE)	104,105 (86%)	36,752 (30%)	51,263 (39%)
	By Gender			
	Male	63,612 (83%)	Not Disclosed	Not Disclosed
	Female	40,493 (90%)	Not Disclosed	Not Disclosed
	By Age			
	Below 30	27,805 (97%)	Not Disclosed	Not Disclosed
	30–50	42,764 (63%)	Not Disclosed	Not Disclosed
	Above 50	33,536 (137%)	Not Disclosed	Not Disclosed
	By Level			
	Executive level	16 (9%)	Not Disclosed	Not Disclosed
	Mid-High level	3,330 (24%)	Not Disclosed	Not Disclosed
	General staff	100,759 (94%)	Not Disclosed	Not Disclosed

⁴ Employee turnover rate = Number of employees left during the Reporting Period / (number of employees at the end of the Reporting Period + number of employees left during the Reporting Period).

⁵ New hire employee rate = the number of newly recruited employees during the Reporting Period/the number of employees at the end of the Reporting Period.

Employment Management

Due to the restructure of the Group, the personnel data are considered as insufficient in completeness and representativeness. Therefore, this Report will not disclose the data of employees' employee turnover and new hire for 2019 and 2020. Looking ahead, the Group will reorganise and optimise the data collection system to disclose comprehensive employee data in the future.

Employment Standard

Evergrande Group is committed to maintaining a high level of employment standards in business operations, and strictly abides the "Labour Law of the People's Republic of China" and the "Provisions on the Prohibition of Using Child" and relevant laws and regulations. Our business operations are subject to labor laws and regulations. The implementation of labor standards and recruitment procedures in various regions by the Group needs to comply with relevant local laws and regulations.

We strictly prohibit any form of child labour and forced labour. To avoid forced labour and child labour, the Human Resources and Administration Centre conducts detailed interview which included screening procedures for each applicant. To ensure no child labour is employed, the comprehensive check on the authenticity of personal information on the application form and original copy of the applicant's ID card. An employment is immediately terminated upon discovery of any irregularity in age, status, and validity of employment.

During the Reporting Period, the Group has not recognised any cases of child labour or forced labour.

Diversity, Equal Opportunity, and Anti-Discrimination

Evergrande Group prohibits all forms of employee discrimination, and adheres to the principles of fairness, justice, and equality when formulating and implementing systems related to recruitment, salary, benefits, training, and labour security. We do not discriminate against employees based on their race, gender, region, social class, religion, disability, political party, etc. All job positions are based on employee's abilities, and employee workload and paid are given equally. The Group respects human rights and defends the rights and interests of employees to make legal complaints and expressions. The Group strictly abides by the "Special Provisions on Labour Protection for Female Employees", to protect the rights and interests of female employees. On International Women's Day, female employees are provided with a half-day off. The special lounge is also provided for pregnant women, and female employees are assisted in applying for maternity allowances.

Working and Rest Time

Evergrande Group regularly reviews working hours, paid annual leave, and paid sick leave to ensure compliance with the latest labour laws and regulations. The average working hours of employees shall not exceed 40 hours per week, and the average daily working hours shall not exceed 8 hours.

All full-time employees required approval from their department supervisor for overtime working hours on Sundays and public holidays, and the overtime work is eligible for compensatory leave. Employees who work in shifts are required to keep and revise recorded on a monthly roster, which ensure employees are given adequate rest period.

The Group provides employees with paid annual leave and other personal holidays, which allows them to recover, rest and spend holidays with their families and own activities. All qualified employees are entitled to enjoy the public holidays promulgated by the Chinese government, as well as reasonable working and rest time. The Group also provides special holidays beyond statutory requirements, including marriage leave, maternity leave, paternity leave, compassionate leave, etc.

Employment Management

Employee Recruitment

The Group has formulated and implemented the internal policies that adhered to the Group's concept of being people-oriented, including the "Policy of Evergrande for Recruitment and on boarding" and the "Policy of Evergrande for Formal Employment of New Employees". To support the Group's all-round strategic development and supplement the talent gap, we actively work on talent promotion, talent exchange, new industry deployment, and assistance to Xinjiang, and introduce talents to the society through multiple channels. Furthermore, we conduct objective, fair, and reasonable assessments on candidates from the aspects of knowledge, morality, ability, experience, and meeting job requirements, which introduce appropriate talents for our business strategy.

Promotion and Development

Evergrande Group recognises the importance of employee development and growth and provides each employee with a broader space for development. When choosing to transfer to a new function or position, the Group upholds the selection and appointment system of "fairness and impartiality, meritocracy, integrity and ability". We consider the availability of suitable vacancies, the employee's contribution, performance history, ability, desire and motivation for the function, experience, and potential. Meanwhile, we actively work on internal talent promotion, talent exchange, new industry deployment, and assistance to Xinjiang.

The selection and appointment system of the Group is implemented in the internal performance appraisal. Employee promotion and salary adjustment are determined based on organisational performance and individual performance. Detailed performance appraisal, the specific details are summarised as follows:

Organisational Performance

- The organisational performance is based on the group's overall strategic goals and operation targets, and according to the adjustment on goals and Performance Indicators (KPIs) of various business units, to formulate assessment methods for each department units. It mainly adopts the method of target plan management, and evaluates each department unit of the Group on a monthly basis.

Personal Performance

- According to the current and overall evaluation system, the Group conducted comprehensive evaluation of employees every quarter. The comprehensive evaluation adopted a 360-degree evaluation tool to evaluate the quality, spiritual style and work performance of employees. The evaluation result is divided into the different grade.

Each business centre of the Group headquarters organise performance appraisal according to each business line and published reward and punishment. The rewards and punishment take reference from the comprehensive evaluation results and employee contributions. Besides, the comprehensive evaluation result is an important basis for employee promotion and salary adjustment.

Salary

The Group aims to attract, reward, and retain talented, highly skilled, and motivated employees through competitive remuneration package. The Group's remuneration policy is formulated based on the remuneration trends in various regions and the performance of individual employees and will be reviewed regularly. The base salary and fixed allowances of each position is determined based on the position's responsibilities, qualifications, skills and experience requirements, prevailing salary trends, location, and job position. The basis salary range of each position is determined and approved by the Board. Salary is paid monthly, from the date of employment, and there will be an annual remuneration salary adjustment based on individual performance and the annual profitability of the Group.

Employment Management

Dismissal

The Group has formulated and implemented the “Evergrande Group Resignation Management System” to protect the rights and interests of both the Group and employees. The system regulates the management of employee resignation, including but not limited to resignation, dismissal, and termination of labour contracts. For the Group and employees, the employment relationship can be terminated as long as complying with the relevant laws and regulations of the country and the relevant rules and regulations or agreements of the company. The Human Resources and Administrative Centre will conduct exit interviews with resigned employees, taking opinions from relevant departments, and taking record and feedback to further improve relevant policies and operations.

Employee Benefits and Welfare

Evergrande Group always considerate the physical and mental health of our employees as they are the foundation of the business development. The Group guarantees the welfare of each employee, creates a comfortable and secure working environment, and further enhances the cohesion, sense of belonging and loyalty of employees. The Group employee perceived “Five insurances and one housing fund”, subsidies and other benefits. During the Reporting Period, the Group arranged annual body check and provided employees with medical insurance benefits, which seen as practical contributions to protect the employee’s health and safety. The specific details of employee benefits and guarantee are as follows:

Employees shall enjoy the rights to social insurance benefits stipulated by the country according to law

- The Group has implemented the “Regulations on Payroll Computing Management of Evergrande Group”, the “Regulations on Social Insurance and Housing Fund Management of Evergrande Group” and other internal policies. The Group has purchased social insurance and housing provident fund “five insurances and one housing fund” for contracted employees, which has in accordance with laws and regulations. Besides, the Group purchases employer liability insurance for returned-retired employees and interns.

Fully improve the medical security level of employees

- The labour union of the Group advocates that employees use medical insurance to protect their personal health.

Implemented medical mutual aid protection plan for employees

- The Group has purchased supplementary medical insurance for major and serious diseases for its employees, which reflects the company’s philosophy of people-oriented and caring on employees.

Provide highly nutritious meals

- The canteen prepares a variety of meals for employees at preferential prices. It reflects the Group’s concept of caring for employees’ physical and mental health, and allow employees to “work happily and eat happily”.

Employment Management

Caring Employee and Communication

Evergrande Group cares for the physical and mental health of its employees and is willing to listen their opinions and suggestions. The Group strives to create a good organisational atmosphere and show a harmonious corporate culture. We set up good communication channels for employees and organised regular symposiums to listen to their voices. In the Group, there are maternal and infant rooms provided that convenient employees during pregnancy or lactation. Moreover, the Group organises a various of recreational activities and provides a leisure sports centre for employees, which use for advocating the work life balance of employees.

Employee communication and complaint

The Group regularly organises employee symposiums, fully listen to their suggestions and voices and understand their needs or opinions in career development, corporate culture, life, and rest. The Group attaches great importance to all kinds of needs and carefully summarises them to improve the corresponding work and welfare mechanism.

We also establish a claim and complaint mechanism for employees and opened barrier-free communication channels for employees. Employees can give feedback through the Human Resources Department and the Supervision Department of the Group, which those Departments will follow up and coordinate in time.

Employee recreational activities



Evergrande Group Bicycle Room

The Group advocates the working mode of “happy work and happy life”. There is library, computer room, yoga room, dance room, spinning bicycle, treadmill, and other facilities in the staff club. We provide decent environment and conditions for employees to exercise in their spare time.

Employee Canteen

The Group advocates the working mode of “work happily and eat happily” and provides variety of meal options in the staff canteen that take care for the employees’ health.



Employment Management

Employee Activities

To provide various sports activities to relax and leisure for employees, the Evergrande Group has organised various sports activities from time to time. In the Reporting Period, the Group's employees have suspended their gathering activities as to complied with the Chinese government's pandemic prevention regulations. Looking ahead, the Group will continue to organise employee activities after pandemic measures are relaxed, to strengthen employees' sense of belongings.

DEVELOPMENT AND TRAINING

Development and Training Policy

Evergrande Group has always attached importance in employee's personal growth and career development as we believe the growth of employees are underlying to the growth of the company and encourages improvement. The Group is committed to build the learning culture in the organisation and advocate lifelong learning. To improve the overall quality of employees, the Group encourages emancipation of mind, reviews the experience and learn from the new things. The Group formulates and implements the "Evergrande Staff Code of Conduct". In this code of conduct, the "Sixteen Characters" advocate lifelong learning for employees. The following training topics are covered "learn, sit, stand, walk, speak, listen, dress, etiquette, morality, loyalty, thrift, law, work, efficiency, health, and harmony". In addition to occupational training, the Group advocates personal self-cultivation education for employees and formulates the "Employee Self-cultivation Guidelines". The education content covers these sixteen items of personal cultivation for employees, including honesty and integrity, honesty, innovation and seeking truth from facts, etc.

Training Program

The Group provides continuous training courses in different ways, including in-house training courses, comprehensive specific skills development training and professional training of relevant employees. To strengthen and enhance the professionalism of employees, all departments have organised continuous trainings which related to technical skills and system learning for each job position. The Group ensures every new employee receives appropriate training and guidance to assist them quickly adapt to the new working environment and established professional skills and business needs. Through education and training, the Group can develop employees to improve their personal qualities, strengthen their skills, refresh professional knowledge as required for their positions, and hence promote continuous employability.

The Human Resources and Administrative Centre conducts annual and quarter surveys for training needs. To set up the annual and quarter learning outlines and training schedules, the centre formulates training base on the training needs of each department, the annual operation plan, the plan on employee's promotion and career development etc. The Group provides on-the-job training for employees. Also, we assigned targeted training and task for overcome the weakness in different positions. This aims to equipment employees with appropriate skills that help in improving their performance and capabilities.

Employment Management

Training includes pre-employment training and on-the-job training. The training description is as follows:

1. Induction trainings for newly-recruited staff

- It is coordinated by the Human Resources and Administrative Centre and organised with the Human Resources Department of each unit. The content includes the company profile, corporate culture and general system, etc.

2. Professional skills training

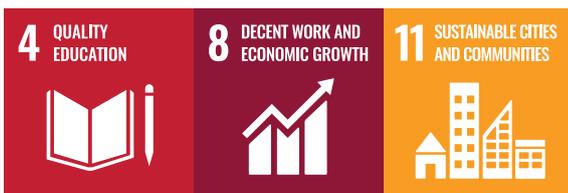
- Each department of the Group organises and coordinates self-ordained training, and conducts courses including professional skills and general qualities for employees on a regular basis.

3. Personnel system training

- Provide special training to the Human Resources and Administrative Centre and relevant employees among the whole Group.
- OA online training courses and online knowledge centre.

After the trainings are completed, employees are required to participate in performance appraisals to evaluate their performance after perceived training, which are used to evaluate the quality and effectiveness of the relevant courses. The Group also regularly reviews the training management system and strengthens the training content to ensure the effectiveness of the training.

We promote development-oriented policies that support productive activities and employee training. It aims to contribute to the achievement of SDG 4 relates to quality education, SDG 8 relates to decent work and economic growth and SDG 11 relates to sustainable cities and communities.



Training Record

This year, the Group has provided the total of 72,560 trainings and professional lectures for employees, with an average of approximately 1.67 hours per training section. During the Reporting Period, the Group's total attendances of employees in training were 1,460,717, the total training hours were 120,874 hours, and each employee has received an average of 2.90 hours in training.

Looking ahead, the Group will continue in arranging different trainings actively for our employees. We will optimise our relevant data collection system to disclose more meaningful and representative information on training, according to gender and various employee categories.

Employment Management

HEALTH AND SAFETY

Health and Safety Policy

The Group has always placed great importance in providing a safe working environment with safe and sanitation facilities, and the labour standards which are in line with national regulations. The Group strictly abides by relevant laws and regulations, including but not limited to the “Labour Law of the People’s Republic of China” and the “Regulations on Work-related Injury Insurance”. To ensure that employees are fully compensated in the event of work-related injuries, we have provided employees with the appropriate insurance plans, including coverage for medical and accidental losses. According to the nature of actual work, we have provided safety training courses for construction units. During the Reporting Period, the Group has not recognised any non-compliance issues related to occupational health and safety.

We are aware of the importance about providing a safe and healthy working environment and protecting employees from occupational hazards. It aims to contribute to the achievement of SDG 3 relates to good health and well-being and SDG 8 relates to decent work and economic growth and SDG 11 relates to sustainable cities and communities.



Safe and Civilised Construction

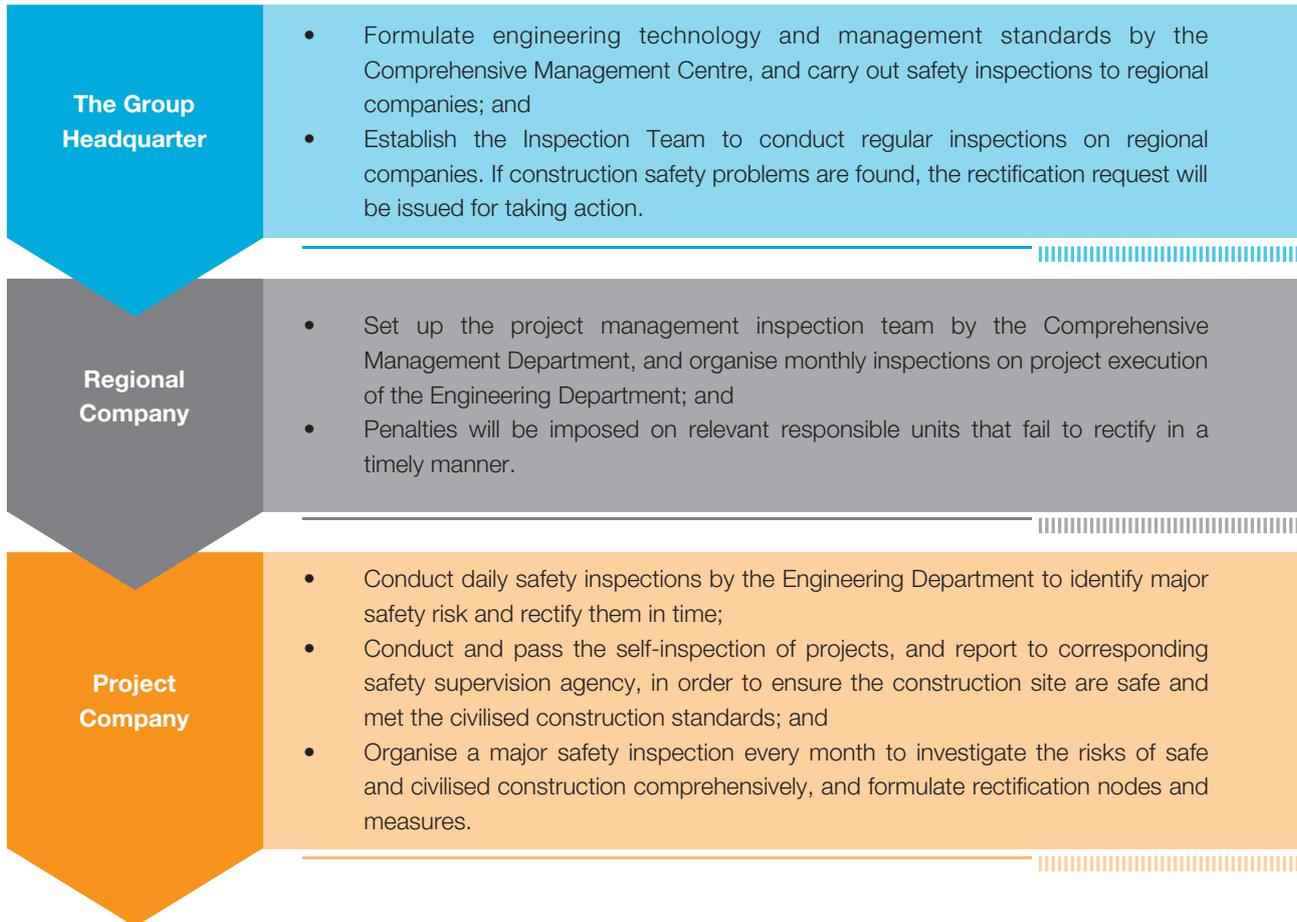
Evergrande Group attaches great importance to the safe and civilised construction strictly implements internal system of the “Safe and Civilised Construction Standards”, which ensures the construction project is completed and its employees are worked under safety. The system has specified the safe and civilised management principles, objectives, and division of responsibilities, which ensure systematic and standardised management of safe and civilised construction. Details of the system are as below:

Safety and civilisation management principles
<ul style="list-style-type: none"> • Legal compliance, people-oriented, safeguarding the safety and health of employees; and • Safety first, prevention foremost and comprehensive governance.
Safety and civilisation management objectives
<ul style="list-style-type: none"> • Firmly implemented civilised construction, and building sample sites for civilised construction; and • Enhancing engineering quality, eliminating fire accident, reducing consumption of materials, eliminating pollution, beautifying the environment, and continuously enhancing the overall benefits and social benefits of the enterprise.
Safety and civilisation management structure
<ul style="list-style-type: none"> • Three-level management structure with managers of the engineering department as first persons responsible for safety and civilisation; and • The Group’s Comprehensive Management Centre and supervision companies are responsible for supervising, guiding, and inspecting compliance with safe construction standards.

Employment Management

Three-level management structure

The Group's three-level safety management system covers three regulatory levels, which has covered three levels led by the Group headquarter, regional companies to project companies. The details of safety management work are as follows:



Employment Management

The Group has formulated a clear safe and civilised construction specifications, which has covered the two dimensions, which are safety management and civilize management. It has established definitive safety standards for construction facilities and equipment such as scaffolding, construction machinery and tools, and temporary electricity, and formulated clear requirements for construction gates, enclosures, roads, and other factory layouts.



Construction Site Surrounding Safety Facilities



Construction Safety Guidelines

To ensure the fire-safety, construction site should facilitate fire equipment including the fire pools, sandy land, fire extinguishers, and fire hydrants. To enhance the preventive and protective awareness of site personnel, regular fire drills among workers has conducted in timely basis.



Fire Emergency and Rescue Drill Activities



Fire Emergency and Rescue Drill Experience

In order to achieve the objectives of safe and civilised construction, the Group conducted safety inspection and safety training to ensure the construction safety. The implementation of relevant measures by the Group are as follow:

Safe and civilised construction inspection	Major problems	Rectification plans:
<ul style="list-style-type: none"> • Monthly inspection and rectification of the safe and civilised construction are held by the Engineering Department; and • Monthly special inspection site is held by the Comprehensive Management Centre. 	<ul style="list-style-type: none"> • The inadequate safety education, the insufficient safety promotion and the inadequate safety protection. 	<ul style="list-style-type: none"> • Strengthen the on-site checking on construction plans and project pre-qualification, which to manage major hidden safety hazards in on-site; and • Strengthen the safety training and promotion on safety checking and rectification in construction site.

Employment Management

Safe and Civilised Construction Training

To ensure that all employees are familiar with the health and safety policies, capable to identify risks, effectively prevent hazards and accidents in the workplace, and take emergency response measures. The Group strengthens in organising safety training and drills for projects. All construction teams and workers have received safety education, technical preview, and pre-work education before entering the site and starting construction work. In addition, to revise the health and safety topics, the construction team and the local emergency bureau conduct the safety drill and provide guidance to workers quarterly and in every project.



Pre-work Education



Safety Training



Safety Emergency Drill

Details about the health and safety performance are as follows:

	2021	2020*	2019*
Number of work-related injuries	89	Not Disclosed	Not Disclosed
Lost days due to work injuries	211	Not Disclosed	Not Disclosed
Number of work-related fatalities	0	Not Disclosed	Not Disclosed

The Group has strengthened various safety inspections, including special inspections during flood seasons, typhoons, and winters, to prevent major quality and safety issues such as foundation pit immersion, basement floating, falling from high altitudes, and concrete frost heave. Moreover, after statutory holidays, for example, the Spring Festival, resumption of work after the pandemic, "International Labour Day" and "National Holiday", the Group arranges special inspections for construction projects during the night to ensure project safety. When safety incident occurs, the manager of the Engineering Department immediately reports to the general manager of the construction project, and the general manager will report to the chairman of the regional company within 30 minutes. If the rescue is involved, the case should be dealt immediately according to the emergency plan. The general safety incident is investigated by the manager of the Engineering Department. The major safety incident is investigated by the engineering manager of the regional companies. For accidents related to major technical and structural safety, the Group Design Management Centre and the Comprehensive Management Centre will handle the investigation and follow up. During the Reporting Period, the Group was not aware of any cases of employee injuries and deaths due to work-related injuries, and the number of working days lost due to work-related injuries was 211 days.

Looking ahead, the Group will continuously reorganise and optimise the data collection system for comprehensive disclose on health and safety in the future.

* The Hong Kong Stock Exchange did not have relevant mandatory disclosure requirements at that time.

Employment Management

RESPONSE TO COVID-19 PANDEMIC

The Group strives to be responsible to the society and employees to the fully extent by protecting the health and life safety of employees and minimising on employee gathering to limits the spread of the virus. In order to protect our employees from the threat of Covid-19 pandemic, Evergrande Group has immediately responded and adopted the prevention measures. The Group implemented strict prevention measures and followed the health guidelines from the National Centre for Health Protection.

To minimise the cross-infection, the Group complied with the social distance policy, adjusted the working schedules of employees, and implemented alternate working practice. Meanwhile, the Group has implemented a work from home policy to minimise face-to-face meetings and social activities. The Group encourages employees to utilise video conferencing platforms, social media tools and electronic communication tools to maintain effective communication with internal and external parties. In addition, we arranged more frequent and additional cleaning and regular disinfection in the workplace. Furthermore, the Group encouraged employees to get vaccination program, which does only help to protect themselves but also prevents the spread of the virus. The precautionary measures are as follows:

- Keep frequent and proper hand hygiene;
- Maintain workplace hygiene;
- Check body temperature regularly;
- Wear masks at all times while in the workplace;
- Maintain adequate social distance from others in common facilities; and
- Encourage employees to complete vaccinations to build good body immunity.

Besides, the Group has set up the Pandemic Prevention and Control Teams in large-scale workplace and construction projects. The team is responsible to managing virus prevention and controlling work in construction projects, including the arrangement of migrant workers on hometown returning, implementation of back-to-work polymerase chain reaction (PCR) Test, checking on health code and body temperature, distribution on prevention materials such as masks, and arrangement on isolation measures. The measures mentioned above are implemented to effectively protect the health of workers and prevent the spread of the virus.

Community Investment

Evergrande Group is committed to maintaining the sustainable development of in its business and the communities. While actively developing its business, it participates in the support on poverty alleviation and public welfare activities. The Group places particular emphasis on the three directions in poverty alleviation, including industrial, relocation and employment, which assist the revitalisation on poverty alleviation. The Group pursues in achieving higher social responsibility by advocating sports, which wish to contribute the society through participate in community and education. Since the outbreak of the Covid-19 pandemic, the Group has actively provided pandemic prevention and control measures to the community and complied the emergency plan issued by the Party Central Committee. Those aim to contribute to the achievement of SDG 1 relates to no poverty, SDG 2 related to zero hunger, SDG 3 related to good health and well-being , SDG 4 relates to quality education and SDG 17 relates to partnerships for the achievement of the goals.



POVERTY ALLEVIATION

As one of the social leaders, Evergrande Group actively participated in poverty alleviation. The Group actively responded to the call of the Party Central Committee. In recent years, with the encouragement and sincerely support from the CPPCC National Committee, the Group has committed outstanding contributions in poverty alleviation. The Group has consistently provided significant contribution to various provinces and regions in their effort to combat poverty. During the Reporting Period, the Group was awarded the honorary title of “National Advanced Group for Poverty Alleviation”.

Guangdong Poverty Alleviation Day

Evergrande Group actively participated in social welfare activities and is commitment by supporting the Guangdong Poverty Alleviation Day. The Group assisted in consolidating and expanding the achievements of poverty alleviation and comprehensively promoting the rural revitalisation. During the Reporting Period, the Group participated in the launch ceremony of the “Thousands of Enterprises Helping Thousands of Towns, Ten Thousand of Enterprises Prospering Ten Thousand of Villages” campaign to show sincere support for this event.



Community Investment

The achievements of poverty alleviation in Guangdong include:



New Rural Demonstration Area in Heyuan, Guangdong



Beautiful Rural Demonstration Area in Lianping County



Road lighting and greening in Huidong County



Rural Appearance Reform in Huidong County



Assistance for construction of immigrant resettlement area in Huidong County



Assistance for construction of smart greenhouse base in Boluo County

Henan recovery work

Henan has been severely impacted by heavy rainfall disasters, which have resulted in significant impact on the Henan's local economy, society, and personal and property safety. During the Reporting Period, the Group has actively responded to the Henan emergency and rescue activities, which the Group's industrial segment in Henan has made efforts to support the public security and protection initiatives, and aided in post-disaster reconstruction work. We have served and cooperated with the government and social communities in the recovery work.

Community Investment

REVITALISE THE SPORT INDUSTRY

Guangzhou Football Club

During these years, Evergrande Group has worked to revitalise China's sports industry and fostering the Chinese football culture. We have initiated the Guangzhou Football Club "Guangzhou Team" in Guangzhou, and further promote the Chinese football culture.

Outstanding results of Guangzhou Football Club has promoted the football industry in China, and enhanced the level of Chinese Football Association Super League (CSL);

The Guangzhou Football Club has reformed and initiated the new Chinese football management system of "Chief coach responsibility system under the leadership of the Board Chairman"; and

The management model of "strict management, handsome reward and severe punishment" has enhanced the management and development level of CSL Club.

Evergrande Football School

Evergrande Group has been committed in promoting Chinese football culture over these years and by the establishment of the Evergrande Football School. Operating with the purpose of "Rejuvenating Chinese football and cultivating football stars", the football school provides professional, systematic, and large-scale training opportunities for youngsters aged between 9-18.



Community Investment

“Yingqian Concentric” Football Support Program for Primary and Secondary Schools

The Group in partnership with the Bijie (Dafang) Football Youth Training Centre has successfully launched the “Yingqian Concentric” football support program for primary and secondary schools. This initiative has marked as the milestone for rural revitalisation, which about the provision of professional football training for children in rural areas. During the Reporting Period, there were 40 children participated in the program.



FIGHT AGAINST THE COVID-19 PANDEMIC

Since the outbreak of the COVID-19 pandemic, Evergrande Group has resolutely implemented the decisions and deployments of the Party Central Committee and the State Council. The Group has rapidly deployed, and calmly responded in handling and adopting various measures in the field of pandemic prevention and control during our resumption of work and production. The Group has demonstrated our corporate responsibility, actively supported to the front lines of their work in pandemic prevention. In 2021, the Group adhered to the pandemic prevention and control measures to limit the spread of the epidemic. Throughout the pandemic, the Group has arranged our employees in the prevention services in order to protect the public health.

AWARDS AND HONORS

In 2021, Evergrande Group received the following awards:



National Advanced Group for Poverty Alleviation

Environmental Management

ENVIRONMENTAL MANAGEMENT AND POLICY

Evergrande Group strives to environmental protection and sustainable development and commits to reduce the impacts on the environment in our business operations. The Group takes responsibility of protecting the planet and building a sustainable future for future generations. The Group is committed to apply high environmental protection standards and comply with applicable laws and regulations, including but not limited to the “Environmental Protection Law of the People’s Republic of China”, the “Environmental Impact Assessment Law of the People’s Republic of China” and the “Law on the Management of the Environmental Inspection of Completed Construction Projects” and other legal and regulatory requirements.

The Group has set clear emission reduction targets. In the short term, our goal is to reduce the intensity of greenhouse gas emissions, air pollutant, waste and sewage discharge, energy consumption and resource consumption by 5% in 2026, and we have adopted 2021 as the base year. These emission reduction and energy saving targets will be reviewed by the Board in every five years. The long-term goal of the Group is to meet the Chinese government’s national dual carbon goals, which is peaking carbon emissions by 2030 and achieving carbon naturality by 2060. By incorporating environmental protection and resource conservation into our business development strategy, our environmental policies and initiatives aim to ensure consistency and accordance with the following sustainable development goals.



EMISSION MANAGEMENT

Evergrande Group has established and implemented internal procedures and guidelines such as the “Group Headquarters Management Measures”, the “Project Company Management Measures” and the “Dust Prevention and Construction Standards” to manage environmental protection issues, including noise, dust, and sewage discharge, to minimise our impacts to the environment. The Group strictly complies with all applicable laws and regulations on the environment in the countries and regions where we operate, air pollutant, greenhouse gas emissions, sewage discharge, waste generation and disposal, including but not limited to:

- The “Environmental Protection Law of the People’s Republic of China”;
- The “Environmental Impact Assessment Law of the People’s Republic of China”;
- The “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”;
- The “Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes”;

Environmental Management

- The “Law on the Management of the Environmental Inspection of Completed Construction Projects”;
- The “Marine Environmental Protection Law of People’s Republic of China”;
- The “Law of the People’s Republic of China on Prevention and Control of Water Pollution”; and
- The “Law on Prevention and Control of Environmental Noise Pollution of People’s Republic of China”.

During the Reporting Period, the Group received fines, complaints, and warnings for four non-compliance cases, there were two of air pollutant violations cases and two sewage discharge violations cases. For more details, please refer to the “Greenhouse Gas Emissions” and “Sewage Discharge” chapters.

Air Emission

The Group’s major exhaust emissions of the Group were generated from the fuel consumption of official vehicles, including unleaded petrol, diesel, and liquefied petroleum gas (LPG); the fuel consumption of non-outsourced staff canteen, including LPG, and natural gas. During the Reporting Period, the air pollutant emissions of the Group are shown in the following table:

Air pollutant ⁶	Unit	2021 ⁷	2020
Nitrogen oxides (NO _x)	kg	938.16	9,090.14
Sulfur oxides (SO _x) ⁸	kg	47.67	37.70
Particulate Matter (PM)	kg	37.91	745.78

Greenhouse Gas Emission

In response to the raising public concerns about the topics of greenhouse gas emissions and climate change, the Group has formulated the “Group Headquarters Management Measures” and the “Project Company Management Measures”. The purpose of these measures is to encourage employees of the Group headquarters and project companies to adopt energy-saving measures and to reduce greenhouse gas emissions. For details of energy-saving and emission-reduction measures, please refer to the “The Environment and Natural Resources” chapter. Besides, to alleviate climate change, the Group’s Landscape Group also supports green operations through continuous tree planting, which contributing to greening and reducing emissions. During the Reporting Period, the Group planted a total of 132,930 trees.

The Group’s direct greenhouse gas emissions (Scope 1) is generated from fuel consumption during the Reporting Period, including unleaded petrol, diesel and LPG for vehicles, and the LPG and natural gas consumed for non-outsourced staff canteens. Indirect greenhouse gas emissions (Scope 2) is generated from purchased electricity.

⁶ It covers the stationary source fuel consumption and mobile source fuel consumption of the Group’s business operations in China, and estimation method and emission factor are referenced from the “Boiler Production and Emission Calculation Coefficient Manual” and “Guidelines for Environmental Key Performance Indicators Reporting and Technical Guidelines for Compiling Air Pollutant Emission Inventory of Road Motor Vehicles (Trial)” published by the Ministry of Ecology and Environment of the People’s Republic of China.

⁷ Due to the incomplete data on the use of official vehicles owned or controlled by the Group. For consistent disclosure, the method for estimating the driving kilometers has been uniformly applied and reference from the “Technical Guidelines for Compiling Air Pollutant Emission Inventory of Road Motor Vehicles (Trial)” published by the Ministry of Ecology and Environment of the People’s Republic of China.

⁸ For LPG consumed by mobile sources, the estimated reference values of sulfur oxides refer to the “National Standards of the People’s Republic of China - Technical Requirements and Test Methods for Liquefied Petroleum Gas”.

Environmental Management

During the Reporting Period, the greenhouse emission of the Group are shown in the following table:

Greenhouse Gas Emission ⁹	Unit	2021	2020
Greenhouse Gas Emission (Scope 1) ¹⁰	Tonnes of carbon dioxide equivalent	2,481.28	9,735.44
Greenhouse Gas Emission (Scope 2) ¹¹	Tonnes of carbon dioxide equivalent	118,203.53	267,627.40
Greenhouse Gas Emission (Scope 1 + Scope 2)	Tonnes of carbon dioxide equivalent	120,684.81	277,362.84
Greenhouse Gas Removal ¹²	Tonnes of carbon dioxide equivalent	3,057.39	Not applicable ¹³
Total Greenhouse Gas Emission	Tonnes of carbon dioxide equivalent	117,627.42	277,362.84
Greenhouse Gas Intensity	Tonnes of carbon dioxide equivalent/ Revenue (in RMB million) ¹⁴	0.54	Not Disclosed

The main sources of greenhouse gas emissions from the Group were generated from the purchased electricity and followed by fuel consumption emissions from the Group's official vehicles. The total amount of greenhouse gas emissions for the year is approximately 117,627.42 tonnes of carbon dioxide equivalent (2020: approximately 277,362.84 tonnes of carbon dioxide equivalent), and its greenhouse gas emission intensity is 0.54 tonnes of carbon dioxide equivalent/revenue in RMB million. Compared to the previous financial year, the greenhouse gas emissions have dropped by about 58%. As the Group was affected by the Covid-19 this year, the reduce of project operation during the year has resulted to the decrease in overall usage in vehicle and energy.

During the Reporting Period, the Group was encountered two non-compliance cases regarding to dust pollution prevention measures during construction projects. Due to the non-compliance of the construction unit, it resulted in illegal behavior and imposed a fine. For cases of non-compliance, corrective actions and preventive measures were promptly taken in response to these cases. The local departments have implemented the "Dust Prevention and Control Construction Standards (Trial)" and enhanced on-site supervision of construction units to prevent similar incidents from happening again.

Looking ahead, the Group will strengthen the compliance in pollutant emissions and continue to implement relevant preventive measures. In order to reduce greenhouse gas emissions, the Group will encourage employees to actively use public transportation to achieve emission reduction targets. Also, the Group will closely monitor on pollution and greenhouse gas emissions, continues in implementing relevant emission reduction and energy conservation measures, and conduct regular performance review.

⁹ It covers the direct and indirect emissions of the Group's business operations in China, and estimation method and emission factor are referenced from the "Boiler Production and Emission Calculation Coefficient Manual" and "Guidelines for Environmental Key Performance Indicators Reporting and Technical Guidelines for Compiling Air Pollutant Emission Inventory of Road Motor Vehicles (Trial)" published by the Ministry of Ecology and Environment of the People's Republic of China.

¹⁰ Greenhouse gas emissions (Scope 1): The "direct emissions" from business activities was owned or controlled by the Group, including fuel consumption of unleaded petrol, diesel and LPG consumed by vehicles, and fuel consumption of LPG and natural gas consumed by non-outsourced staff canteens.

¹¹ Greenhouse gas emissions (Scope 2): The "indirect emissions" generated by the Group's operating activities, including purchased electricity.

¹² Greenhouse Gas Reduction: Newly plant trees that can reach at least 5 meters during the Group's business operations in China. The estimation method and the reduction factor of greenhouse gas reduction are based on the Appendix II: Guidelines for Environmental KPI Reporting? How to Prepare Environmental, Social and Governance Report?" issued by HKEX.

¹³ Data collection did not start for this year.

¹⁴ The Group's total revenue for the reporting scope of this Report as of the end of 2021 was RMB218,400 million.

Environmental Management

Hazardous Waste and Non-Hazardous Waste

Evergrande Group strictly abides by relevant laws and regulations, including the “The Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes” and the “Management Regulation on Hazardous Wastes Manifests”. To ensure all wastes are disposed properly and avoid poor waste management that resulted in environmental pollution.

During the Reporting Period, the Group has identified the hazardous waste are generated from our daily operation, mainly included discarded ink cartridges, toner cartridges, electronic products and batteries used during operations. Hazardous waste of the Group is collected, treated, and disposed of by a collection company, therefore, it would not cause any adverse impact on the environment. During the Reporting Period, the Group has recycled 6.04 tonnes of hazardous waste.

The non-hazardous waste mainly consists to domestic waste from the Group’s operations site and offices. Before disposal, the non-hazardous waste is classified, managed, and collected by the property. For those recyclable waste, recyclable waste is sent to the recycling station, while the remaining non-hazardous waste is collected and handled by the local Hygiene Department as landfill disposal. During the Reporting Period, the Group recycled 33.41 tonnes of non-hazardous waste.

In order to promote green office and green construction, the Group has adopted the waste management measures, that including but are not limited to:

Green Office

- Install water filtration system to replace drinking bottled water and reduce plastic waste;
- Encourage employees to bring their own drinking cups and reduce the use of disposable paper cups and plastic bottles;
- Reduce paper consumption and promote electronic for office work; and
- Conduct waste recycling and sorting management system in waste.

Green Construction

- Conduct waste recycling management and waste classification;
- Pack, handle, and transport waste appropriately; and
- Forbidden the burning of waste and toxic materials, non-toxic and foul-smelling substances.

By effectively implementing these measures of the Group’s waste management system, it reduces the impact from our operations to the environment. This aims to contribute to the achievement of SDG 11 related to sustainable cities and communities, SDG 12 related to responsible consumption and production and SDG 15 related to life on land.



Environmental Management

During the Reporting Period, the waste discharge data of the Group are shown in the following table:

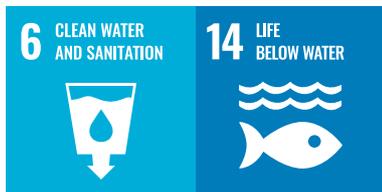
Type of waste	Unit	2021	2020
Hazardous Waste ¹⁵	Tonnes	19.85	13.39
Non-Hazardous Waste ¹⁶	Tonnes	520.95	2,791.32
Total	Tonnes	540.80	2,804.71
Waste intensity	Tonnes/Revenue in RMB million ¹⁴	0.0025	Not Disclosed

During the Reporting Period, the Group has generated approximately 19.85 tonnes of hazardous waste (2020: approximately 13.39 tonnes); and approximately generated 520.95 tonnes of non-hazardous waste (2020: approximately 2,791.32 tonnes). The waste intensity is 0.0025 tonnes/revenue in RMB million. Compared to the previous financial year, the amount of waste has reduced by 81%. During the Reporting Period, due to the restructuring of the Group, certain amount of electronic waste has generated and caused to the increase of hazardous waste. Meanwhile, as the Group was affected by the Covid-19 this year, the reduce in project operating and the implementation of the work from home practice during the year has resulted to the reduction in non-hazardous waste.

Looking ahead, the Group will continue in implementing effective waste management measures and encourage waste recycling, in order to increase production units and minimising the waste at the same time and reduce the impact to the environment due to our operations.

Sewage Discharge

Evergrande Group complies with relevant laws and regulations and legal discharge standards, including the “Water Pollution Prevention and Control Law of the People’s Republic of China” and the “Integrated wastewater discharge standard (GB8978-1996)”. The Group has standardised its sewage discharge management in project operation. We required the designated three-stage sedimentation tank at washing station, and direct sewage discharge is strictly prohibited. These sewage discharge management and the handling procedures of the Group reduced the impact of operations on the marine environment and aimed in contributing to the achievement of SDG 6 relates to clean water and sanitation and SDG 14 related to life below water.



During the Reporting Period, the Group encountered two non-compliance cases of regarding sewage discharge. These cases involved construction setting up unauthorised sewage outlet and discharging excessive water pollutants into the sea, resulting in illegal cases, and imposed fine. To address those non-compliance case, corrective actions and preventive measures were promptly taken in response to these cases, which local departments have strengthened on-site supervision to construction units in order to prevent similar incidents from happening again. Looking ahead, the Group will strengthen the supervision of non-compliance in sewage discharge.

¹⁵ The Group's hazardous waste covers the waste of electronic products in operations and office operations during the Reporting Period, including ink cartridges, toner cartridges, electronic products, and batteries.

¹⁶ The Group's non-hazardous waste covers the domestic waste in daily operation during the Reporting Period.

Environmental Management

The Group is committed to improve the data collection system, during the Reporting Period, the new data on sewage discharge is added to provide the comprehensive disclosure of our environmental performance.

During the Reporting Period, the Group's sewage discharge was as follows:

Sewage Discharge	Unit	2021	2020
Total sewage discharge	m ³	2,769,405.58	Not Disclosed

USE OF RESOURCES

Evergrande Group consumed resources during its production and operation in projects, mainly include energy, water, and paper. We are committed in improving energy efficiency, advocating resource conservation, and enhancing the efficiency of energy and resource consumption. In order to conserve resources, the Group has established relevant guidelines, in order to maximise the efficiency of consumption of energy, water, other raw materials and natural resources. At project production sites, we strive to cut energy costs and increase production capacity through various measures such as regular maintenance. In daily office operation, we promote and encourage energy conservation measures to minimise the energy consumption in office area and hence achieve energy savings.

The Group strictly abides by all applicable laws and regulations on the use of energy and natural resources in the countries and regions where it operates, including but not limited to:

- The "Civil Code 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 Land Administration";
- The "Forest Law of the People's Republic of China";
- The "Wetland Protection Law of the People's Republic of China";
- The "Law of the People's Republic of China on Resources Exploration and Development in Deep Seabed Area"; and
- The "Fisheries Law of the People's Republic of China".

During the Reporting Period, the Group was encountered in the laws and regulations related to the management of natural resources and was fined 303 thousands RMB.

Energy Consumption

Evergrande Group's energy consumption consisted of the unleaded petrol, diesel and LPG of official vehicles, and LPG and natural gas consumed by non-outsourced staff canteens (direct energy consumption) and the purchased electricity (indirect energy consumption). The Group has adopted renewable energy, including hydropower. The aim is to use clean energy, promote environmental protection and encourage energy conservation, as well as avoiding greenhouse gas emissions, thereby to reducing the environmental impact of our energy consumption.

Environmental Management

During the Reporting Period, the direct energy usage of the Group is as follows:

Direct energy usage		Unit	2021	2020
Mobile resources	Petrol	L	814,710.31	2,117,876.16
	Diesel	L	54,510.19	376,671.98
	LPG	L	38,918.40	Not applicable
Stationary resources	LPG	kg	84,856.28	536,665.28
	Natural Gas	m ³	81,443.91	678,078.79
Renewable energy	Hydropower	MWh	50,341.14	Not applicable

During the Reporting Period, the indirect energy usage of the Group is as follows:

Indirect energy usage	Unit	2021	2020
Purchased electricity	MWh	143,320.14	316,635.64

During the Reporting Period, the Group's total energy consumption (including direct energy and indirect energy) and intensity are as follows:

Energy Consumption ¹⁷	Unit	2021	2020
Direct Energy Consumption ¹⁸	MWh	60,667.87	36,294.06
Indirect Energy Consumption	MWh	143,320.14	316,635.64
Total Energy Consumption	MWh	203,988.01	352,929.70
Energy Intensity	MWh/Revenue in RMB million ¹⁴	0.93	1.04

During the Reporting Period, the Group's energy consumption was approximately 203,988.01 MWh (2020: approximately 352,929.70 MWh), and its energy consumption intensity was 0.93 MWh/Revenue in RMB million (2020: 1.04 MWh/Revenue in RMB million). During the Reporting Period, the Group has added the use of renewable energy in disclosure, and its energy was mainly used in the Group's sales centres, tourist areas and office spaces. Compared to the previous financial year, the energy consumption has reduced by 42%. The decrease in consumption was mainly due to the lockdown period during the pandemic and that has limited the operation of construction sites, which has reduced the overall usage of vehicle and energy.

Looking ahead, the Group will continue in tracking the Group's energy consumption and implement relevant energy-saving measures to optimise energy and resource efficiency.

¹⁷ It covers the Group's direct and indirect energy consumption data for the Reporting Period. and estimation method and emission factor are referenced from the "Guidelines for Calculation and Reporting of Greenhouse Gas Emissions in Other Industries (Trial)" published by the Ministry of Ecology and Environment of the People's Republic of China.

¹⁸ The direct energy consumption of the Group during the Reporting Period were 10,326.73 MWh of fuel consumption and 50,341.14 MWh of renewable energy consumption respectively.

Environmental Management

Water Consumption

The water consumption of the Evergrande Group is mainly used in office and construction projects, and the water is mainly used for domestic purposes and project operations. Our current water supply, provided by the third-party suppliers, our daily operational needs, and we do not face any issues in water supply. The Group has taken various measures to save water, and we have applied regular maintenance on the water supply system to prevent unnecessary leakage. Additionally, water-saving notices are posted in conspicuous places to raise employees' awareness on cherishing water resources and hence to encourage water conservation.

During the Reporting Period, the water consumption of the Group is as follows:

Water Consumption	Unit	2021	2020
Water Consumption	m ³	10,325,932.44	12,593,935.39
Water intensity	m ³ /Revenue in RMB million ¹⁴	47.28	37.18

During the Reporting Period, the Group's water consumption was approximately 10,325,932.44 m³ (2020: approximately 12,593,935.39 m³), and its water resource consumption intensity was 47.28 m³/revenue in RMB million (2020: 37.18 m³/revenue in RMB million). The intensity has raised since the Group's revenue was affected by the Covid-19 pandemic, compared with the previous financial year, there was still the decrease of 18% on water consumption, which mainly due to the lower the operation of construction sites and the Group's implementation of home office during the lockdown period, which resulted in reduced water consumption.

Looking ahead, the Group will continue in tracing the Group's water consumption and implement relevant water conservation measures to improve the water resources efficiency.

Paper Consumption

Evergrande Group is committed to improving the data collection system. During the Reporting Period, the Group's paper consumption data was added in order to provide a more comprehensive environmental performance in disclosure. The primary source of paper consumption of the Group was the office paper used by the business units. To minimise its impact on the environment, the Group encourages employees to recycle paper. During the Reporting Period, there were 22.38 tonnes of paper were recycled.

The Group has implemented the green office measures to reduce paper usage by promoting the application of electronic form in workplace and encouraging employees to use double-sided and reuse paper. In addition, the Group advocates work from home practices to reduce the paper consumption.

During the Reporting Period, the paper consumption of the Group is as follows:

Paper Consumption	Unit	2021	2020
Paper Consumption	Tonnes	1,549.82	Not Disclosed
Paper Intensity	Tonnes/Number of employee ¹⁹	0.04	Not Disclosed

¹⁹ As of 2021, the number of employees of the Group's real estate segment was 41,701.

Environmental Management

During the Reporting Period, the Group's paper consumption was approximately 1,549.82 tonnes, and its paper consumption intensity was 0.04 tonnes/number of employees. Looking ahead, the Group will continue in tracing the Group's paper consumption, increase the amount of paper recycling, and implement relevant resources conservation measures, to optimise resources efficiency.

Packaging Material Consumption

Evergrande Group's business mainly cover research and development of real estate project, and property management services. Our operation does not involve the use of packaging materials in production. The Group does not consume any significant amount of packaging materials. Although the Group's business activities do not involve the use of packaging materials, the Group is aware of the importance of the use of construction materials during its operations. Therefore, the Group has implemented internal systems, including the "Real Estate Group's National Material, Equipment, and Materials Procurement and Supply Management System", the "Main Measures for Energy Conservation and Consumption Reduction Work", the "Implementation Rules for Design Management of Cost Reduction and Efficiency Improvement" and conducts material procurement for building materials planning and management system in order to maximising the resource efficiency.

The Environmental and Natural Resources

As a business provider that offers all-around service, Evergrande Group has obtained direct and indirect impacts on the environment during project production and operation. Greenhouse gas emissions and resource consumption are the major considerations of the Group, which saving in energy, water and other raw materials not only benefits to environmental protection, but also results in cost savings. In order to meet the Group’s sustainable development and emission reduction goals, we have implemented internal systems for project operation and office operation in the Group, which are included the “Design Management Implementation Rules for Cost Reduction and Efficiency Increase”, the “Real Estate Group Design Management System” and the “Engineering Construction Management System”. As regard to the project and official operation of Evergrande, the implemented environmental protection strategies and actions are as follows:

Strategies and actions of Evergrande project operation:

<p>Green Building Commitment</p>	<ul style="list-style-type: none"> • Implement internal systems, including the “Real Estate Group Design Management System”, the “Engineering Construction Management System” and the “Safe and Civilised Construction Standards”, they develop the new technology construction systems and prefabricated buildings that promote energy saving and material saving in the construction, and improve the efficiency on resource; • Adhere to the sustainable project site selection and development, and protect surrounding biodiversity and cultural features; • Formulate standards on usage and loss rate, and strictly control the use efficiency of materials; • Adopt green energy and renewable energy including hydro and solar energy; • Work in sustainable tree planting, greening, emission reduction, and enhancement of biodiversity; and • Choose to use environmentally friendly materials, which preferably green and environmentally friendly materials higher than national standard.
<p>Green Operations Management</p>	<ul style="list-style-type: none"> • Evergrande properties and projects have met the national green building rating standards; • Formulate energy-saving and consumption-reducing targets for properties, and vigorously promote energy-saving in projects; • Conduct work in tree planting by the Group’s Landscape Group, to support green operations and reduce emissions; and • Strengthen tenant in the commercial projects to participate in green operation by requiring in lease agreements signed with merchants and standardise the waste removal and segregation.
<p>Response to Climate Change</p>	<ul style="list-style-type: none"> • Carry out climate change risk and opportunity assessments, identify climate change impacts and formulate corresponding measures; • Reduce the use of official vehicles and encourage employees to use public transport; and • Plan to replace fuel vehicles with electric vehicles.

The Environmental and Natural Resources

Strategies and actions for Evergrande office operations:

<p>Save Energy Resources</p>	<ul style="list-style-type: none"> • Implement internal systems to improve resource efficiency; • Implement the lighting automatic sensing system in office to save unnecessary energy consumption; • Turn off computers, electrical appliances, lights, and air conditioners that are not in use, set electronic equipment to an energy-saving mode, and apply the energy-saving function options of the computer operating system; • Arrange regular inspection and maintenance for vehicles to maintain the efficiency of official vehicles and extend life-cycle of vehicles; • Post water-saving warm reminders and signs to enhance the environmental protection awareness of all employees; • Install a water filtration system to replace drinking bottled water and reduce plastic waste; and • Provide staff canteens for employees, encourage and advocate employees to cherish food. 	
<p>Green Office Management</p>	<ul style="list-style-type: none"> • Use employee OA office as the automation system, and to announce message via email or electronic reports; • Advocate the concept of recycling and promote the sustainable use of employee resources, including reduce, reuse, and recycle resources; • Encourage employees to use paper in both sides and recycled paper, and set default setting for the printers into double-side printing mode; and • Promote work from home and electronic office model, reduce unnecessary business travel. 	
<p>Response to Climate Change</p>	<ul style="list-style-type: none"> • Carry out climate change risk and opportunity assessments, identify climate change impacts, and formulate corresponding measures; • Reduce the use of official vehicles and encourage employees to use and recycle public transport; and • Plan to replace fuel vehicles with electric vehicles. 	

The Environmental and Natural Resources

GREEN BUILDING AND DESIGN

Evergrande Group implemented the green building requirements of the 2020 version of the “Residence Design Requirements and Standards” and the Group and the region have developed and promoted high-star green building certification. 100% of the Group’s new projects met the basic requirements of the new national standard for green building. In 2021, there were 218 construction projects with the new process construction system, with the total area of 33.1441 million m² of which the green building certification area has covered 14.8629 million m². 73 projects have received the green building certification under the new national standard, including 51 projects have rated as one-star and 22 projects have rated as two-star.

Green building skills and new technologies

Evergrande Group is committed to strengthening the application of green technologies and has been continuously optimising the selection of product materials and strengthening the promotion of environmental-friendly technology. The consideration of green technology is added from the project design stage, construction stage to the property owner using stage. The Comprehensive Management Centre has cooperated with the Design Management Center and has made continuously research and implementation of new technologies and construction methods. During the Reporting Period, reasonable optimisation was carried out, including the waterproof structure of the exterior wall of the residence, the installation of aluminum alloy exterior doors and windows, the interface treatment of the interior and exterior walls of the residence before plastering and the anti-leakage of the basement. The purpose of these optimisation is to promote energy conservation and emission reduction in the construction process and reduce waste of resources while maintaining the quality of the projects.

At the same time, the Group’s projects and products have integrated with environmental protection and safety standards, actively promote the principle of low-carbon, environmental protection, and sustainable development, while also meeting the actual needs of the property owners in order to create a comfortable and green living environment for the property owners. During the Reporting Period, the Group has implemented and optimised about 160 green prefabricated projects with the total area of 22.7972 million m², where has covered areas of Jiangsu, Sichuan, Liaoning, and Shandong. The optimisation projects are as follows:

- Apply LED lighting to save energy;
- Apply water-based paint instead of oil-based paint for some wood-finish doors to reduce pungent odors and flammable risks that improve its eco-friendly;
- Replace wallpaper with latex paint and reduce the use of wallpaper to improve its eco-friendly;
- Replace natural stone with artificial stone, reduce the consumption of natural resources, avoid radioactive substances, and effectively improve the uniformity and aesthetics of interior decoration;
- Apply solid wood composite flooring and maintain the color and texture of natural wood grain, which formaldehyde emission is lower than that with laminate flooring; and
- Apply water-saving toilets in bathrooms to save water.

The Environmental and Natural Resources

Evergrande Yujingwan (御景灣) ultra-low energy residential project in Inner Mongolia

In the project of the Evergrande Yujingwan, the 11 buildings with a total area of 110,000 m², have adopted the ultra-low energy consumption building technology. This demonstration project is the first attempt in severe cold areas (Inner Mongolia) of applying the ultra-low energy technology at the high-rise residential area. The overall energy consumption has been greatly reduced by over 90% and is able to reach 4 million kWh of heating energy saving annually. Adopting a passive building design, the Evergrande Yujingwan has minimised the demand on energy, including for heating, air conditioning, and lighting. The project has improved in equipment and utilise its efficiency through active technical applications, and utilise of renewable energy, in order to achieve a comfortable indoor environment with efficient energy consumption. The project has received the ultra-low energy building certification, a two-star green building rating and a two-star healthy building rating.

Ocean Flower Island in Hainan

Ocean Flower Island has applied solar distributed power station, which is the largest integrated roof power station in China, which can generate 10,000 kWh in average in daily to achieve the energy saving efficiently. Besides, in order to treat rainwater and domestic sewage and save water consumption within the project, the Ocean Flower Island has set up a rainwater recycling system for green irrigation and road washing, etc. For waste treatment, the vacuum waste collection system in the central square of the Island also reduces environmental pollution.

Environment-friendly materials

Evergrande Group is aware of the importance of environmental protection and safety in construction materials, and implemented the “Real Estate Group’s National Material, Equipment and Materials Procurement and Supply Management System”, the “Product Standards” and the “Unit Inspection Operation Rules” and relative internal system. These systems have clearly stipulated the environmental protection standards for 7 categories, and strictly implemented them during the whole process in material bidding, procurement, and check upon delivery. For each material, we have classified them according to national standards, conducted sampling, monitoring frequencies for products with different risk levels. The Material Company and the Design and Management Centre are required to conducts strict inspections on the materials in terms of its environmental protection, safety, and other performance. The Group based on those procedures and implement the final project material specifications.

GREEN CONSTRUCTION

Evergrande Group continues in strengthening the environmental management and control of project construction. According to the local requirements on energy conservation and the “Safe and Civilised Construction Standard”, and the internal environmental standards, the Group carries out joint departmental inspections in the construction site, and monitors the site environment, noise, and weather in real time to ensure the environmental protection objectives and compliance on construction in place. The Group has adopted a comprehensive mechanism on green construction, which has focused on controlling the acoustic environment, light environment, indoor and outdoor heat, and humidity physical environment, etc., which can save resources, protect the environment, and reduce pollution as much as possible under the premise of fulfilling the design specifications, product safety and durability.

The Environmental and Natural Resources

SUSTAINABLE SITE SELECTION AND GREEN DEVELOPMENT

As a real estate developer, Evergrande Group has always adhered to sustainable project development as well as help in maintaining the ecosystem. The Group is committed in avoiding adverse impacts of our operations on the environment and ecosystem. Meanwhile, we promote the green environment and strengthens the investment on developing agricultural ecology. This aims to contribute to the achievement of SDG 2 relates to zero hunger.



The Group strictly adhere to all applicable laws and regulations on the management of green construction in the countries and regions where it operates, including but not limited to:

- The “Civil Code of the People’s Republic of China”;
- The “Regulations of the People’s Republic of China on Nature Reserve”;
- The “Forestry Law of the People’s Republic of China”;
- The “Grassland Law of the People’s Republic of China”;
- The “Fisheries law of the People’s Republic of China”;
- The “Wildlife Protection Law of the People’s Republic of China”; and
- The “Regulations of the People’s Republic of China on the Protection of Wild Plants”.

In terms of sustainable project development, the Group has fully evaluated and investigated the geological, soil, biodiversity, and other environmental factors of the project site during the planning and site selection stage. These aim to minimise the adverse impact of project development on the surrounding environment and ecological system. The Group is committed not to conduct project development in national nature reserves, but also to avoid project development in protected areas such as farmland and green space. Besides, the development must be approved by government departments before commencement of work when necessary, and we promote greening, protect the environment, and protect old and valuable trees. Moreover, we have launched green projects across the country, actively cooperating with seedling plantations and seedling supplier to enhance implementation of greening and emission reduction. During the Reporting Period, the Group has planted 132,930 trees and achieved a total area of 6.07 million m² in greening.

The Environmental and Natural Resources

GREEN MARKETING

Evergrande Group has consistently adopted the practices principle of green marketing and actively carried out green marketing practices. Our online marketing not only helped the Group to achieve its business objectives, but also effectively reduced the consumption of manpower, resources and energy in offline marketing, result in cost saving on marketing materials.

SUSTAINABLE DEVELOPMENT TRAINING

Evergrande Group integrates the perspective of sustainable development in the training for each functional departments, and covered sustainable development topics, including but not limited to, product quality and safety, occupational health and safety, anti-corruption, and sustainable suppliers' management as key themes of sustainable development. As such, it continues in strengthening the Group's management level of each field in terms of sustainable development.

In order to strengthen the awareness in sustainable management of the Group and its regional companies, we have enhanced the Group's ESG data management by engaging with third-party professional institution during the Reporting Period. We have conducted online ESG data collection training, with the Group's ESG Working Group, and responsible persons in ESG data collection from functional departments and regional companies have participated in the training session. The training has covered the latest ESG disclosure requirements of the HKEX, the management and data collection of ESG data, environmental target setting, etc.

Looking ahead, in order to raise employee's awareness in environmental protection and compliance, we will continue in strengthening and providing the training on environmental and sustainable development.

The Group believes the measures mentioned above will contribute to the sustainable development of the environment as well as our business. Looking ahead, the Group will continue to review its strategies and practices in environmental protection and the use of natural resource, and further update and implement corresponding conservation measures.

Climate Change

Climate change poses a common challenge globally, and China, as the greatest developing country, recognise the importance of responding to climate change. Chinese government has adopted powerful policies and measures by making two significant decisions in 2020, which is striving to achieve carbon peaking by 2030 and carbon neutrality by 2060.

In alignment with the national policies, enterprises have gradually responded to climate change, and Evergrande Group has also acknowledged climate change is driving operational risks and impacts. The Group is committed to improving energy efficiency through expertise, in order to enhance production efficiency and maintain an efficient management support that safeguard the Group’s reputation. As of this period, the Group has responded to the initiative of the Chinese government and followed to the national goals.

Evergrande Group has set clear emission reduction targets. In the short term, our goal is to reduce the intensity of greenhouse gas emissions, air pollutant, waste and sewage discharge, energy consumption and resource consumption by 5% in 2026, we have adopted 2021 as the base year. These emission reduction and energy saving targets will be reviewed by the Board in every five years. The long-term goal of the Group is to meet the Chinese government’s national dual carbon goals. Our business strategy is to response to climate change and sustainable development goals, which aims to contribute to the achievement of SDG 13 relates to climate change.



RESPONSE TO CLIMATE CHANGE

Evergrande Group aims to establish a climate resilience approach to deal with the climate change, in order to adapt and mitigate the impact from climate change on our operations. To address climate changes, the Group has incorporated relevant measures in business strategy, and has reflected in our governance and management processes. We refer to the recommendations of TCFD, and the below table has summarised the Group’s recommendations on climate-related disclosures in response to the four core elements “Governance”, “Strategy”, “Risk Management” and “Indicators and Targets”.

Core Element	Response from the Group
<p>Governance</p> <p>Clarified the management responsibilities of the Board and management in terms of climate-related risks and opportunities, and formulated written supervision and control policies that include and defined clear processes of implementation in order to develop a good governance structure covering climate-related issues.</p>	<p>Regarding the governance in the climate-related risks, we:</p> <ul style="list-style-type: none"> Established an ESG governance structure to prioritises the management of climate-related issues to each functional department and centres; Integrated ESG topics (including the climate-related topics) into our corporate decision-making; and Held meetings on reporting on ESG topics (including climate-related topics).

Climate Change

Core Element	Response from the Group
<p>Strategy</p> <p>Identified climate-related risks and opportunities systematically and clearly, and continuously updated topics in order to assess the financial impact of these risks. Formulated strategies and measures to respond to climate change, which have been deeply integrated and into the Group's development strategies and corporate culture and provide guidance for actions.</p>	<p>To address the actual and potential impact of climate-related risks on our Group strategy, we:</p> <ul style="list-style-type: none"> • Understood the potential impact of climate-related risks and opportunities on the Group's business operations, strategies, and financial performance that provide guidance for actions; • Identified risks and opportunities in order to prepare for the transition to low-carbon economy; and • Developed an overall strategy that included field-specific strategies and action guidelines for addressing climate change.
<p>Risk management</p> <p>Formed the process of identification, assessment and management of climate-related risks and opportunities and incorporated the management of climate-related risks and opportunities into the existing risk management framework that could effectively control climate-related risks.</p>	<p>To identify, assess and manage climate-related risks, we:</p> <ul style="list-style-type: none"> • Established an ESG Working Group to lead the Group's discussions on ESG risks (including climate-related risks); • Identified risk management priorities in order to be fully prepared for the transition to the low-carbon economy; and • For those identified climate-related risks and opportunities, the Group actively prepared and set corresponding measures and implemented to manage physical risks.
<p>Indicators and objectives</p> <p>Selected appropriate indicators for various fields, set up its feasible objective values, and actively linked relevant indicators with financial data, in order to develop a goal-oriented performance tracking mechanism for addressing with climate change.</p>	<p>To assess and monitor climate-related risks, we:</p> <ul style="list-style-type: none"> • Identified the importance of process-related risks and opportunities (including climate-related risks) through questionnaires and other methods, and continuously track and manage indicators of major risks; • Took the property management as the starting perspective in exploring and establishing short-term, medium-term, and long-term greenhouse gas emission reduction targets, as well as assessment and management, in order to achieve net zero emissions; • Considered the factors of investment on business transition; • Considered to create value through the low-carbon transition; and • Considered investing in electric vehicles (EVs) replacement program.

Climate Change

Climate-related disclosure — Governance

Evergrande Group has developed an ESG governance structure that adopted a unified management method and integrated the ESG governance structure to manage climate-related issues. The structure has clarified the monitor and management responsibilities of the Board and management regarding climate-related risks and opportunities. Meanwhile, each functional department should identify and manage the climate-related risks and opportunities based on their departmental responsibilities in daily operation. To promote the sustainable development of the Group's business, the Group's governance structure minimise the physical risks and transition risks that may drive by the climate change, and allow the Group captures the climate change-related opportunities. For more details of the Group's ESG governance structure, please refer to the chapter "Environmental, Social and Governance — Governance Structure".

Climate-related disclosure — Strategy

Following the Groups' expansion on geographical scope of construction projects, it can be seen the growth of business. Therefore, we need further preparation and get ready on ourselves to respond to climate-related risks and opportunities in order to achieve sustainable development.

We understand the potential climate-related risks and opportunities in the short-term, medium- and long-term and their potential impacts on business strategy, operational and financial performance. The Group has integrated our overall vision for sustainable development, priorities our strategies, provided specific strategies and action plan. This provides directive and effective guide for relevant responsible persons and departments to make continuous work on monitor and manage the climate-related risks and opportunities.

Taking the recommendations of TCFD, the Group has identified a series of major climate-related risks and opportunities related to our assets and services based on the macro environment, industry characteristics and the current operations. These transition risks and physical risks have been discussed in the following chapters.

	Risk	Opportunities
Short-term (Less than 1 year)	<ul style="list-style-type: none"> Physical risk — extreme weather Ensure the skills and capabilities required to implement climate-related strategies are in place 	<ul style="list-style-type: none"> Resource efficiency that encourages opportunities
Mid-term (5 years)	<ul style="list-style-type: none"> Physical risk — chronic physical risk Transition risk — market risk 	<ul style="list-style-type: none"> Green building research and application
Mid-Long term (5 years and above)	<ul style="list-style-type: none"> Transition risk — policy and legal risk Transition risk — technology risk Transition risk — reputation risk 	<ul style="list-style-type: none"> Opportunities for utilising renewable energy Opportunities for business diversification

According to the climate risk assessment, the priority of the Group in considering the physical risks is the pressure on water resources and followed by the increase in the frequency and severity of extreme weather. Physical risks may directly damage the Group's assets and affect the delivery of our real estate projects.

When facing extreme weather event, for example, floods and heavy rains, it may cause to the delays in project design and construction progress, damage equipment and facilities, cause safety incidents, housing leakage and other quality issues. This may lead the loss in Group income as the result of projects delivery delays, or the increased equipment replacement cost. In short to medium term, chronic physical risk is mainly impacted on the Group is higher standards of product design (for example, landscape design and automobile function), and may cause financial impacts on increasing Group's expenditure.

Climate Change

In terms of physical risks, the Group has strictly implemented a prevention and control mechanism. The Comprehensive Management Centre has initiated and cooperated with the Engineering Department and construction units. This prevention and control mechanism has formed over the years based on the experience, which the Group has implemented several countermeasures to enhance the resilience of its operation. We have aware on meteorological information and implement corresponding contingency plans, follow the national announcement on meteorological disaster warnings, and alert workers in a timely manner.

When there are extreme weather and emergency events, the Group's emergency response plan for the construction site is as follows.

Considering the extreme weather such as typhoons and storms in recent years, the Group requires all regions and projects strictly implement the prevention and control mechanism:

- Strengthen emergency warning by formulating emergency plans and conduct emergency drills;
- Formulate flood and typhoon prevention duty system to ensure 24-hour security under adverse weather;
- Strengthen construction equipment, including large machinery, vehicles, scaffolding, external wall hangings, construction electricity and other major hazards;
- Inspect fire-fighting facilities, basement and foundation pit drainage facilities;
- Ensure construction workers are work under safety, suspend construction under adverse weather, and evacuate them to the safe area; and
- Resume work under order after typhoons and storms, and arrange safety checks on hidden hazard prevent accidents

According to the climate risk assessment, the priority of the Group in considering the transition risks is the policy and legal risks and followed by the reputational risks. As the compliance of climate-related disclosure requirements has become increasingly stringent. The non-compliance disclosure impacts to the Group in capitalising finance if the internal data collection and management system of the Group is insufficient in supporting on time and comprehensive data. The climate-related risk and incidents (for example, house leakage problems, construction safety incidents) drive negative impact on the Group's reputation and result in a loss in revenues. The development and application of new technologies may increase the operating costs, in turn, the failure in new technology investment may cause increase in expenditure. The climate-related risks may influence the price of material supply, and result to the precarious in supply chain that increase the cost. However, we anticipate more risks, including the transition risk in mid-term as we transit to low-carbon economy and fulfil the national carbon reduction targets. Following the expansion of risk, med-long term risks will emerge to high risks while achieving the long term national goal of carbon neutrality by 2060. As regard to transitional risks, the Group continues to monitor market and policy updates.

The Group has also identified the climate-related opportunities when facing risk, and able to optimise risk into chances. Thus, the Group may invest on the market needs and consider as our long-term development. Adopting the monitoring and tracking platforms on energy consumption, reinforcing the management on energy targets, promoting resources saving measures and using renewable energy etc. These measures promote the energy efficiency and operation cost saving. Moreover, the Group has invested in green building research, green office management and renewable energy. While these measures entail certain costs in the short term, the Group will benefit from the efficient use in saving materials, energy, resources in mid-long term. Similarly, following the diversified development of the Group's business and its accordance with the national industrial development strategy, our green industries segments of the new times energy automobile and climate-smart agriculture have positive impact on capturing capital and financing.

Climate Change

Climate-related disclosure — Risk Management

Referring to the recommendations of TCFD, a series of climate-related risk management measures have been planned/implemented in the Group's value chain to assist the Group in preparing for climate events. It aims to enhance the Group's climate-related risk resilience through a green and low-carbon development model. The measures have focused and segmented in the corresponding segments, which are summarised in the table below:

Relevant value chain segments	Related measures
Supply Chain	Diversify material suppliers from multiple sources: <ul style="list-style-type: none"> Engage with local suppliers to reduce climate risks to the stability of the Group's operations.
	Monitor and inspect assets in a regular basis: <ul style="list-style-type: none"> Maintain contingency plan for office and project site.
	Deal with risk on extreme weather and high temperature: <ul style="list-style-type: none"> Maintain cooling equipment in good condition; Review workers' working hours and to provide a better working environment; and Add water facilities for workers, if possible.
Operations	Deal with risk on water scarcity and drought risks: <ul style="list-style-type: none"> Set water tanks at facilities, if possible; Purchase drinking water with adequate storage.
	Deal with risk on flooding: <ul style="list-style-type: none"> Construct protective walls and water storage for facilities, especially those located in low-lying area, if possible; and Deploy suitable flood protection measures for assets, including drainage systems, flood doors, and flood barriers, if necessary.
	Enhance business continuity: <ul style="list-style-type: none"> Establish a typhoon emergency response protocol and coordination system, and conduct regular training drills and post-typhoon reviews to ensure the smooth execution of contingency plans; Utilise the Emergency Restoration System enabling rapid construction of temporary scaffolding to reduce power restoration time; The Landscape Group carry out tree planting as an auxiliary emission reduction; Consider investing in EVs replacement program; and Enhance communication capabilities service for customer, especially on post-incident customer communication.

Climate Change

Looking ahead, the Group will continue to identify the impact of climate change on its business and incorporate climate-related risks and opportunities into operational considerations that increase its resilience in business operations.

Emission Reduction Target

Climate-related disclosure — indicators and targets

Based on the strategy and risk management of climate change, the Group has selected the applicable indicators that suit its management and regularly tracking these indicators. Evergrande Group aims to continuously improve on its management measures and its performance related to climate change. For the greenhouse gas emissions performance, please refer to the “Emissions Management” chapter. Meanwhile, during this financial year, the Group has set clear emission reduction targets. In the short term, our goal is to reduce the intensity of greenhouse gas emissions, air pollutant, waste and sewage discharge, energy consumption and resource consumption by 5% in 2026, we have adopted 2021 as the base year. These emission reduction and energy saving targets will be reviewed by the Board in every five years. The long-term goal of the Group is to meet the Chinese government’s sustainable development goals, which is achieving carbon neutrality by 2060. Looking ahead, the Group will regularly track the effectiveness of its targets and establish further climate-related strategies and action plans.

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ESG REPORT GUIDELINES AND SASB CONTENT INDEX

ESG Reporting Guide		SASB	Section	Note
Subject Areas, Aspects, General Disclosures and KPIs				
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, discharges into water and land, and generation of hazardous and non-hazardous waste.	IF-EN-160a.1	Environmental Management and Policy, Emission Management	—
KPI A1.1	The types of emissions and respective emissions data.	IF-RE-410b.1	Emission Management	—
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Emission Management	—
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Emission Management	—
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		Emission Management	—
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	IF-EN-160a.2	Environmental Management	—
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	IF-EN-160a.2	Emission Management	—
Aspect A2: Use of Resources				
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	IF-EN-410a.2 IF-RE-130a.5	Use of Resources	—
KPI 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).	IF-EN-410b.1 IF-EN-410b.3 IF-RE-130a.1 IF-RE-130a.2	Use of Resources	—
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	IF-RE-410b.1	Use of Resources	—
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		Use of Resources	—
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		Use of Resources	—
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Use of Resources	—
Aspect A3: The Environment and Natural Resources				
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	IF-EN-160a.2 IF-RE-410a.3	The Environmental and Natural Resources	—
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	IF-EN-160a.2 IF-RE-450a.2	The Environmental and Natural Resources	—

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ESG Reporting Guide				
Subject Areas, Aspects, General Disclosures and KPIs		SASB	Section	Note
Aspect A4: Climate Change				
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	IF-EN-160a.2	Climate Change	—
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	IF-EN-160a.2	Climate Change	—
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.		Employment Management	—
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.		Employment Management	—
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		Employment Management	—
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 relating to providing a safe working environment and protecting employees from occupational hazards.	IF-EN-320a.1	Health and Safety	—
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	IF-EN-320a.1	Health and Safety	There were no work-related fatalities during the Reporting Period. Since the HKEX did not have relevant mandatory disclosure requirements at that time. Therefore, no figures for 2020 and 2019 are disclosed in this year.
KPI B2.2	Lost days due to work injury.		Health and Safety	The number of lost days due to work injury during the Reporting Period was 211 days. Since the HKEX did not have relevant mandatory disclosure requirements at that time. Therefore, no figures for 2020 and 2019 are disclosed in this year.
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		Health and Safety	—

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ESG Reporting Guide			
Subject Areas, Aspects, General Disclosures and KPIs	SASB	Section	Note
Aspect B3: Development and Training			
General Disclosure		Development and Training	—
KPI B3.1		Development and Training	The Group will optimise our relevant data collection system to disclose more meaningful and representative information on training, according to gender and various employee categories. The percentage of trained employees will be disclosed in subsequent years.
KPI B3.2		Development and Training	—
Aspect B4: Labour Standards			
General Disclosure		Employment Management	—
KPI B4.1		Employment Management	—
KPI B4.2		Employment Management	There were no received reports on incidents during the Reporting Period.
Aspect B5: Supply Chain Management			
General Disclosure		Supply Chain Management	—
KPI B5.1		Supply Chain Management	—
KPI B5.2		Supply Chain Management	—
KPI B5.3		Supply Chain Management	—
KPI B5.4		Supply Chain Management	—

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ESG Reporting Guide					
Subject Areas, Aspects, General Disclosures and KPIs			SASB	Section	Note
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 relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	IF-RE-130a.5	Product Responsibility		—
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		Product Responsibility		During the Reporting Period, there were no recalls of sold or shipped products due to safety and health reasons.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.		Product Responsibility		During the Reporting Period, the Group has received 490,048 complaints related to products and services.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		Product Responsibility		—
KPI B6.4	Description of quality assurance process and recall procedures.		Product Responsibility		—
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.		Product Responsibility		—
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.	IF-EN-510a.3	Business Ethics		—
KPI 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.	IF-EN-510a.3	Business Ethics		During the Reporting Period, the Group was involved in five major non-compliance and related legal cases regarding corrupt.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	IF-EN-510a.3	Business Ethics		—
KPI B7.3	Description of anti-corruption training provided to directors and staff.	IF-EN-510a.3	Business Ethics		—
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.		Community Investment		—
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		Community Investment		—
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		Community Investment		—

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GRI CONTENT INDEX

Statement of use		Evergrande Group has reported in accordance with the GRI Standards for the period starting from 1 January 2021 to 31 December 2021	
GRI 1 used		GRI 1: Foundation 2021	
		Disclosure	Location/Notes
GRI 2: General Disclosures 2021			
Organisation and Reporting Practices	2-1	Organisational details	About Evergrande Group
	2-2	Entities included in the organisation's sustainability reporting	About This Report
	2-3	Reporting period, frequency, and contact point	About This Report
	2-4	Restatements of information	Not applicable
	2-5	External assurance	The Group will consider seeking external assurance for ESG reporting in the future.
Activities and workers	2-6	Activities, value chain and other business relationships	Operation Management
	2-7	Employees	Employment Management — Employee Profile
	2-8	Workers who are not employees	Employment Management — Employee Profile
Governance	2-9	Governance structure and composition	Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report
	2-11	Chair of the highest governance body	Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management of impacts	Approach, Stakeholder Engagement, Materiality Assessment
	2-13	Delegation of responsibility for managing impacts	Approach
	2-14	Role of the highest governance body in sustainability reporting	About This Report
	2-15	Conflict of interest	Not applicable
	2-16	Communication of critical concerns	Anti-corruption
	2-17	Collective knowledge of the highest governance body	Corporate Governance Report
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report
	2-19	Remuneration policies	Corporate Governance Report
2-20	Process to determine remuneration	Corporate Governance Report	
2-21	Annual total compensation ratio	Not applicable	

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Evergrande Group has reported in accordance with the GRI Standards for the period starting from 1 January 2021 to 31 December 2021			
Statement of use			
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	Board Statement, Community Investment, Awards and Honours
	2-23	Policy commitments	Board Statement
	2-24	Embedding policy commitments	The Group implements policy commitments at different levels, integrates commitments into its strategies, operating policies, and operating procedures, and fulfils its commitments through its business relationships.
	2-25	Processes to remediate negative impacts	Operation Management, Product Responsibility, Anti-corruption
	2-26	Mechanisms for seeking advice and raising concerns	Service Quality, Whistleblowing policy
	2-27	Compliance with laws and regulations	Environmental Management, Employment Management, Operations Management, Product Responsibility, Anti-corruption
	2-28	Membership associations	Not applicable
Stakeholder engagement	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	To the best of the Board knowledge, the Group has not entered into any group agreement during the Reporting Period.
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment
	3-2	List of material topics	Materiality Assessment
	3-3	Management of material topics	Throughout this Report
GRI 200 Economic topics			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-corruption
	205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
GRI 300 Environmental topics			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption
	302-2	Energy consumption outside of the organisation	Energy Consumption
	302-3	Energy intensity	Energy Consumption
	302-4	Reduction of energy consumption	Energy Consumption
	302-5	Reductions in energy requirements of products and services	Use of Resource; The Environment and Natural Resources

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Statement of use	Evergrande Group has reported in accordance with the GRI Standards for the period starting from 1 January 2021 to 31 December 2021		
GRI 303: Water and Effluents 2016	303-1	Interactions with water as a shared resource	Water Consumption
	303-2	Management of water discharge-related impacts	Sewage Discharge
	303-3	Water withdrawal	Water Consumption
	303-4	Water discharge	Sewage Discharge
	303-5	Water consumption	Water Consumption
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Environmental and Natural Resources — Sustainable Site Selection and Green Development. as a real estate developer, the Group strictly abides by all applicable laws and regulations on the management of biodiversity in the countries and regions where it operates.
	304-2	Significant impacts of activities, products, and services on biodiversity	The Environmental and Natural Resource. To the best of the Board knowledge, the Group has no significant impact on biodiversity during the Reporting Period.
	304-3	Habitats protected or restored	To the best of the Board knowledge, during the Reporting Period, the Group did not have any restoration activities that had significant impacts on protected habitats and required approval from independent external professionals.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	To the best of the Board knowledge, during the Reporting Period, there are no habitats of species on the IUCN Red List and species on as the national conservation list are affected by our business operation.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emission. The greenhouse gas emissions data breakdown is unavailable, but the direct and indirect sources of greenhouse gas emissions are disclosed.
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emission
	305-3	Other indirect (Scope 3) GHG emissions	Not applicable; the Group does not disclose other indirect (Scope 3) greenhouse gas emissions
	305-4	GHG emissions intensity	Greenhouse gas emission
	305-5	Reduction of GHG emissions	Greenhouse gas emission
	305-6	Emissions of ozone-depleting substances (ODS)	No relevant data
	305-7	Nitrogen oxides (NO _x), Sulphur oxides (SO _x), and other significant air emissions	Air emission
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	No material impact on the Group's business operations
	306-2	Waste by type and disposal method	Hazard waste and non-hazardous waste
	306-3	Significant spills	To the best of the Board knowledge, during the Reporting Period, the Group was involved in two non-compliance cases in sewage excessive discharged
	306-4	Transport of hazardous waste	Hazard waste and non-hazardous waste
	306-5	Water bodies affected by water discharges and/or runoff	To the best of the Board knowledge, during the Reporting Period, there were no water bodies and associated habitats are significantly affected by discharges and/or surface runoff from the Group's operations

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Evergrande Group has reported in accordance with the GRI Standards for the period starting from 1 January 2021 to 31 December 2021			
Statement of use			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Hazard Waste and Non-Hazardous Waste, during the Reporting Period, to the knowledge of directors, the Group had no significant waste-related upstream and downstream impacts that could lead to potential waste-related impacts.
	306-2	Management of significant waste-related impacts	Hazard waste and non-hazardous waste
	306-3	Waste generated	Hazard waste and non-hazardous waste
	306-4	Waste diverted from disposal	Hazard waste and non-hazardous waste
	306-5	Waste directed to disposal	Hazard waste and non-hazardous waste
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible supply chain
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply chain management; responsible supply chain
GRI 400 Social topics			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Incomplete information. As the structure of Evergrande Group and its functional centres have been restructured that resulted in insufficient in data presentation. Therefore, the Group only discloses the data of this year, and does not consider disclosing the relevant data of 2020 and 2019.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee benefits and welfare
	401-3	Parental leave	Employee benefits and welfare
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Not applicable. The Group has no legal requirements to establish an occupational health and safety management system
	403-2	Hazard identification, risk assessment and incident investigation	Health and safety
	403-3	Occupational health services	Health and safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and safety
	403-5	Worker training on occupational health and safety	Health and safety
	403-6	Promotion of worker health	Health and safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety
	403-8	Workers covered by an occupational health and safety management system	Not applicable
	403-9	Work-related injuries	Health and safety
	403-10	Work-related ill health	Health and safety

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Statement of use	Evergrande Group has reported in accordance with the GRI Standards for the period starting from 1 January 2021 to 31 December 2021		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training record
	404-2	Programs for upgrading employee skills and transition assistance programs	Development and training
	404-3	Percentage of employees receiving regular performance and career development reviews	Incomplete information. To the best of the Board knowledge, the Group's employees have received performance assessment under regular basis. Employee training data will be disclosed in subsequent years.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Diversity, equal opportunity, and anti-discrimination
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Employment Management, Supply Chain Management. To the best of the Board knowledge, during the Reporting Period, the Group has no significant risk of child labour in its operations and suppliers.
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Employment Management, Supply Chain Management. To the best of the Board knowledge, during the Reporting Period, the Group has no significant risks of forced or compulsory labour incidents in its operations and suppliers.
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Not applicable
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	To the best of the Board knowledge, during the Reporting Period, the Group has incidents of non-compliance in health and safety regulations concerning products and services.
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Hazard Waste and Non-Hazard Waste, Product Advertising and Labelling
	417-2	Incidents of non-compliance concerning product and service information and labelling	To the best of the Board knowledge, during the Reporting Period, the Group has no non-compliance with relevant regulations on information and labelling of products and services.
	417-3	Incidents of non-compliance concerning marketing communications	To the best of the Board knowledge, during the Reporting Period, the Group has no incidents of non-compliance with relevant regulations on marketing communications.
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	To the best of the Board knowledge, during the Reporting Period, the Group has no substantiated complaints of violation of customer privacy or loss of customer information.

Note: Any chapters omitted in the GRI standard are considered insignificant or irrelevant to the business of the Group by the Group and stakeholders.

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TCFD CONTENT INDEX

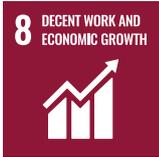
TCFD Recommendations	Details/Notes	Section of the Report
Governance	a) Describe the board's oversight of climate-related risks and opportunities	Approach — ESG Governance Structure
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Approach — ESG Governance Structure
Strategy	a) Describe the impact of climate-related risks and opportunities identified by organisations in short, medium and long term	Climate Change
	b) Describe the impact of climate-related risks and opportunities on the organisations' businesses, strategy, and financial planning	Climate Change
	c) Describe the resilience of the organisations' strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate Change
Risk Management	a) Describe the organisations' processes for identifying and assessing climate-related risks	Climate Change
	b) Describe the organisations' processes for managing climate-related risks	Climate Change
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisations' overall risk management	Climate Change
Metrics and Targets	a) Describe the metrics used by the organisations to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate Change
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Emission Management, Climate Change
	c) Describe the targets used by the organisations to manage climate-related risks and opportunities and performance against targets	Environmental Management, Climate Change

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SDGS CONTEXT INDEX

SDGs	SDG target	Evergrande Group's objectives	Evergrande Group's actions and progression
<p>No Poverty</p> 	End poverty in all its forms everywhere	<p>Our objective is to continue in adhering to poverty alleviation and promote no poverty society. Since the outbreak of Covid-19 pandemic, we have taken measures in achieving and maintaining the objective, including:</p> <ul style="list-style-type: none"> • Demonstrate good corporate citizenship; • Contribute to poverty alleviation. 	<p>Evergrande Group is committed to the traditional virtues of the Chinese. The social responsibility of being an enterprise is to contributes to the society. The Group was awarded the honor of national poverty alleviation. The Group has participated, encouraged poverty alleviation, and improved the communities' quality of life when the society faces difficulties. To this end, the Group obtains a sense of social responsibility.</p>
<p>Zero Hunger</p> 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<p>Our objective is to continue in insisting and promoting into a zero-hunger society through participating in poverty alleviation, and the sustainable and green development, we have taken measures in achieving and maintaining the objective, including:</p> <ul style="list-style-type: none"> • Demonstrate good corporate citizenship; • Promote the greening and strengthen the development of agriculture; • Contribute to poverty alleviation in order to create a zero-hunger society. 	<p>Evergrande Group is committed to the traditional virtues of the Chinese. The social responsibility of being an enterprise is to contributes to the society. The Group was awarded the honor of national poverty alleviation, which improved the communities' quality of life, support in agriculture, and contribute to realisation of zero hunger communities.</p> <p>Besides, Evergrande Group is making efforts to solve the life quality of communities, assist agricultural development and realize a zero hunger community. As a real estate developer, the Group is committed to investing in greening, helping to maintain the ecosystems, and enhancing the adaptation to response to climate change and therefore enhance the potential of agricultural production.</p>
<p>Good Health and Well-being</p> 	Ensure healthy lives and promote well-being for all at all ages	<p>Our objective is to continue in maintaining and promoting the health and safety awareness. It is not only the business of itself and also for the business partners of the Group.</p>	<p>Evergrande Group aims to improve its image in the industry and achieve comprehensive health and well-being. During the Reporting Period, the Group has improved employee's occupational health and the workplace safety. The Group has followed the national security guidelines to keep pace with the market.</p>
<p>Quality Education</p> 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>Our objective is to provide the community with adequate vocational training, interest cultivation and moral standard through education, and given support to fulfill job responsibilities, and to promote learning opportunities in the community.</p>	<p>Evergrande Group acknowledge the importance of personal growth and career development of employees and has advocated "Sixteen Characters" as the purpose for employee's lifelong learning and training. Besides, the Evergrande Football School was established to provide professional, systematic, and large-scale physical education in sport. During the Reporting Period, the Group has provided professional football education to rural children. This aim to encourage childhood, create sport cultural, and promote interest-based learning. For details, please refer to the "Community Investment" section.</p>
<p>Gender Equality</p> 	Achieve gender equality and empower all women and girls	<p>Our objective is to continue in maintaining a zero-tolerance regarding gender discrimination.</p>	<p>Evergrande Group's "Employee Code" clearly stipulates the strict prohibited of any form of discrimination. It has complied during the recruitment process and work. The Group strictly abides by the "Regulations on the Labour Protection of Female Employees" to protect the rights and interests of female employees. During the Reporting Period, we achieved zero case of gender discrimination.</p>

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SDGs	SDG target	Evergrande Group's objectives	Evergrande Group's actions and progression
Clean Water and Sanitation 	Ensure availability and sustainable management of water and sanitation for all	Our objective is to ensure that sewage is treated properly and to pursue zero cases of non-compliance in laws and regulations regarding sewage management.	Evergrande Group's environmental policy has included the sewage treatment procedures, and we are committed to comply with all relevant environmental law and regulations. We have complied with the applicable laws and regulations, including the "Water Pollution Prevention and Control Law of the People's Republic of China" and the "Integrated wastewater discharge standard (GB8978-1996)". Looking ahead, the Group will continue in strengthening its compliance on sewage discharge.
Affordable and Clean Energy 	Ensure access to affordable, reliable, sustainable, and modern energy for all	Our objective is to utilities renewable energy as the primary energy source for business operations.	Evergrande Group utilises renewable energy, including solar and hydro energy in our operations. For the future, we will gradually increase the use of renewable energy. The Group is committed in exploring new energy vehicles and aims to become a sustainable vehicle supplier. We are also planned to replace the use of traditional fuel vehicle by EVs.
Decent Work and Economic Growth 	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	Our objective is to pursue zero occupational fatalities and zero work-related injuries.	Evergrande Group has formulated the "Safe and Civilised Construction Standards" and other internal systems that included series of occupational health and safety measures. As defined in the "Safety and Civilisation Management Policy", our objectives and division of responsibilities is to ensure the systematic and standardised safety and civilisation control model for construction. At the same time, the Group has complied the national standard of the labour safety and sanitation facilities and the workplace conditions. This aim to provide sufficient support and guidance in maintaining the health and safety in workplace.
Industry, Innovation, and Infrastructure 	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Our objective is to continue in focusing on new project development and pursue the launch of sustainable property in existing and future real estate market.	Evergrande Group's projects have been certified by the national certification. We will seek to increase the green concept in our projects. Also, in the project design, the Group has added the use of solar energy, which aims to build a sustainable infrastructure. Please refer to the "Green Building and Design" section for details. Besides, the Group is committed in exploring new energy automobile, which aiming to become a sustainable vehicle supplier.
Reduced Inequalities 	Reduce inequality within and among countries	Our objective is to ensure equal employment opportunity for all job seekers, including underprivileged groups and to maintain our zero tolerance for discrimination in any form.	Evergrande Group's "Employee Code" clearly stipulates those job seekers are protected by the "Labour Law". Any form of discrimination is strictly prohibited in the recruitment process and workplace to ensure all job seekers, including underprivileged groups have equal employment opportunities. During the Reporting Period, we achieved zero non-compliance in employment.

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SDGs	SDG target	Evergrande Group's objectives	Evergrande Group's actions and progression
<p>Sustainable Cities and Communities</p> 	<p>Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	<p>Our objective is to gradually reduce the amount of waste generated in our operations and mitigate the impact on the environment to ensure sustainable living conditions.</p>	<p>Evergrande Group has set emission reduction targets as its sustainability targets to enhance our corporate value. We have implemented a series of measures to mitigate the impact from our project operations and office operations to the surrounding environment. For more details, please refer to the "Environment and Natural Resources", "Climate Change" and "Product Responsibility".</p> <p>Evergrande Group is committed in exploring new energy automobile, which aiming to become a sustainable vehicle supplier that encourage the development of sustainable cities and communities.</p>
<p>Responsible Consumption and Production</p> 	<p>Ensure sustainable consumption and production patterns</p>	<p>Our objective is to gradually increase the proportion of green and environmentally friendly materials and engage with responsible supply chains. We pay attention to latest updates on the market trends that maintain our sustainability in operation.</p>	<p>Evergrande Group has implemented the responsible supply chain management and has set strict requirements for suppliers to comply as our supplier. Environmental awareness and social responsibility are the key areas when we select suppliers. The Group insists on local procurement and actively promotes the green procurement management system. Suppliers are required to abide by the "Regulations on the Administration of Environmental Protection of Construction Projects" and other relevant laws. Suppliers should meet national standards and third-party system certification.</p> <p>In addition, we have implemented the series of measures to mitigate the impact of our business to the surrounding environment. For more details, please refer to the "Supply Chain Management" and "Product Responsibility".</p>
<p>Climate Actions</p> 	<p>Take urgent action to combat climate change and its impacts</p>	<p>We are committed in responding to the impacts of climate change:</p> <ul style="list-style-type: none"> (a) Minimise greenhouse gas emissions; (b) Identify opportunities to reduce carbon emissions by strengthening our activities to become efficient, green, and clean. 	<p>Evergrande Group has promised to achieve the national dual carbon goals by 2060 as the Group goal. To this end, the Group clearly evaluates the progress of addressing climate change, we set clear emission reduction targets and regularly review relevant policies. In order to manage and monitor our progress of our targets, we have set, implemented, and planed specific measures to deal with climate change. For details, please refer to the "Climate Change" section.</p>
<p>Life Below Water</p> 	<p>Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>	<p>We are committed in avoiding water pollution from our business operations to help protect the natural habitat of the ocean.</p>	<p>Evergrande Group's environmental policy includes sewage treatment procedures, which has committed to prevent environmental pollution, including water pollution. We are committed in complying with all relevant environmental law and regulations. We have complied with the discharge standard requirements applicable to our business, including relevant laws and regulations and statutory discharge standards, including the "Water Pollution Prevention and Control Law of the People's Republic of China" and the "Integrated wastewater discharge standard (GB8978-1996)". The Group believes that by reducing the impact of sewage on the ocean, it contributes to protecting the marine ecology. For more details in measures and actions that we have implemented to mitigate the impact and risk of water pollution from our business operations, please refer to the "Sewage Discharge" and "Water Resources Consumption".</p>

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SDGs	SDG target	Evergrande Group's objectives	Evergrande Group's actions and progression
<p>Life on Land</p> 	<p>Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>The Group strives to protect the natural habitats by avoiding land pollution from our business operations.</p>	<p>Evergrande Group's environmental policy includes waste management procedures, and we are committed to prevent environmental pollution, including dumping waste on land. In our operations, we are committed in compliance with all relevant environmental law and regulations. We aware of the needs of reducing our hazardous and non-hazardous waste, and have implemented series of measures, including in green office and green construction, in order to mitigate land pollution. For more details, please refer to the section of "Hazardous Waste and Non-Hazardous Waste".</p>
<p>Peace, justice, and strong institutions</p> 	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels</p>	<p>The Group is committed in promoting anti-corruption awareness, including personal conduct and business practices, and pursue zero corruption cases.</p>	<p>Evergrande Group adheres to the business ethics and prohibits bribery and corruption. The Group is committed in compliance with all relevant law and regulations. We have established policies in regarding anti-corruption and provides definitions of corrupt practices to enhance employee awareness and knowledge in the understand on the nature of corruption, which aim to mitigate the risk of any a crime. For more details, please refer to the "Business Ethics" and "Anti-Corruption".</p>
<p>Partnership for the goals</p> 	<p>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p>	<p>The Group is committed to supporting countries in formulating and implementing development that eradicates poverty in pursuit of a more sustainable future.</p>	<p>Evergrande Group has responded to the national poverty alleviation policy and Covid-19 pandemic prevention and control policies and participate in the measures against poverty and Covid-19. The purpose is to implement the eradication of poverty and sickness in the country in order to pursue a more sustainable future. For more details, please refer to the "Community Investment".</p>



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