



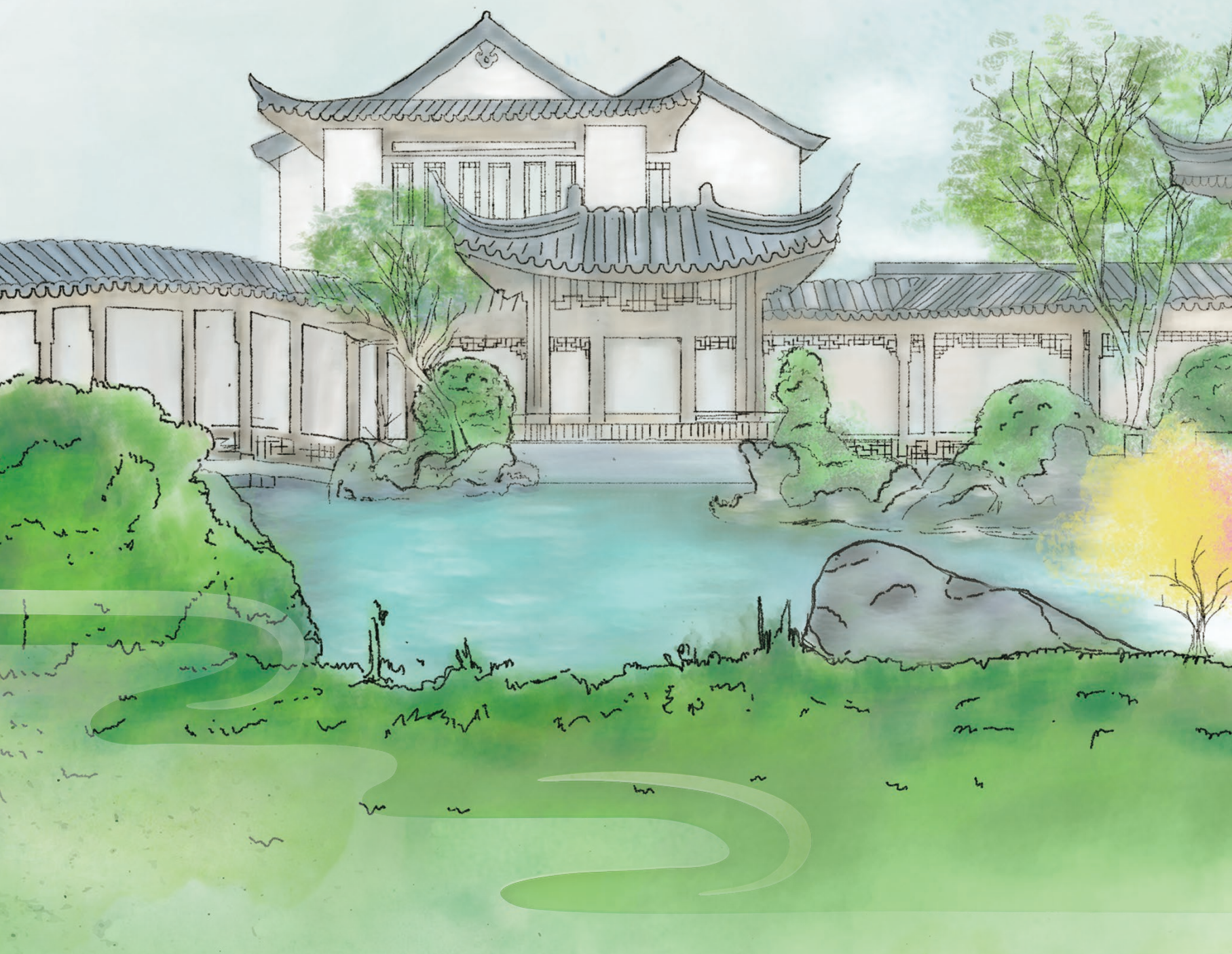
GREENTOWN CHINA HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03900

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2021



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About the Report

002

Overview

The Report is the sixth Environmental, Social and Governance Report (the “ESG Report” or the “Report”) of Greentown China Holdings Limited (the “Company”) and is the first independent ESG Report issued by the Company. Delivered to stakeholders of the Company, the Report focuses mainly on the disclosure of management, practice and performance of the Company and its subsidiaries (together hereinafter referred to as the “the Group”, “Greentown China” or “we”) on ESG-related matters.

Reporting Period

The Report covers the period from 1 January 2021 to 31 December 2021 (the “Reporting Period”) with part of the contents tracing back to prior years.

Reporting Scope

The Report covers the scope of business directly controlled by the Group. Among them, a small percentage of data covers less than the above scope, and has been stated separately.

Basis of Preparation

The Report has been prepared in accordance with the Environmental, Social, and Governance Reporting Guide set out in the Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” or “HKEX”).

This Report identifies and prioritises our key stakeholders as well as ESG-related issues by materiality, determines the boundary of the ESG Report, collects relevant materials and data, compiles the Report based on relevant information, and reviews the information in the Report to ensure its completeness, substantiality, authenticity and balance.

Source of Information

The information and data disclosed in this Report are originated from statistics and official documents of the Group, and reviewed by the relevant departments of the Group.

About the Report

Language and Form of the Report

This Report is available in both traditional Chinese and English versions in electronic editions. For more details about the background, business development and sustainability vision of Greentown China, please refer to our official website (<https://www.chinagreentown.com>).

Preparation Procedure of the Report

The Report is prepared via various steps, including forming the working group, collecting information, communicating with stakeholders, surveying with stakeholders, confirming the framework, compiling information and reviewing by related departments and the senior management.

Confirmation and Approval

The Report has been approved by the Board of the Company on 22 March 2022 after confirmation by the management.

Access to and Feedback on the Report

We attach great importance to the opinions of our stakeholders, and welcome readers to contact us through the following contact information. Your opinions will help us further refine this Report and enhance our ESG performance.

Email: ir@chinagreentown.com



Yiwu Peach Garden



Walking into Greentown China

Walking into Greentown China

Corporate Profile

Greentown China Holdings Limited is a leading quality property developer and integrated living service provider in China. It maintains a leadership position in the industry by virtue of the quality of its properties, its unique architectural aesthetics and customer centric services. The Company has been awarded the “Top10 among 100 Chinese Real Estate Enterprises by Comprehensive Strength” for 18 consecutive years and ranked No.1 in customer satisfaction in the country for 11 consecutive years as well as recognized as “Product Strength First” by various mainstream organizations in the industry. It has also been recognised as an “Enterprise with Social Responsibility” for many years.

Greentown China Holdings Limited was founded in Hangzhou, China in January 1995, and listed on the Stock Exchange in July 2006. The Wharf (Holdings) Limited (“Wharf”) and China Communications Construction Group (Limited) (“CCCC”) were introduced as substantial shareholders successively. As at 31 December 2021, CCCC, Greentown China’s single largest shareholder, was interested in approximately 28.34% of the total issued share capital of the Company.

“Sincerity, kindness, exquisiteness and perfection” are the fundamental values of Greentown China and the quality policy of the Company, as well as the core and essence of our corporate culture. The “Six Qualities” of Greentown China represent our efforts of demonstrating internal and external “image”, seeking “quality” during the workflow, achieving “refinement” at work, establishing “brand” based on outcomes, emphasizing “integrity” of the team, and showing “character” in spirit. Reaching all these goals is to put into practice the culture of Greentown China.

Throughout 27 years of development, the Company has adhered to the development strategy of “quality first” and developed the upstream and downstream of the real estate business to form three major segments, namely asset-heavy, asset-light and “Greentown+”. The asset-heavy segment focuses on the real estate development business, and the asset-light segment strengthens the project management business, while the “Greentown+” segment provides strong support for both the asset-heavy and asset-light segments by strengthening the industry integration of the upstream and extending the scope of services of the downstream. In 2021, various operating indicators of the Company hit record highs: contracted sales amount of RMB350.9 billion ranked 7th in the industry, representing a year-on-year growth of 21%; the newly-added saleable value amounted to about RMB313.7 billion and comprehensive financing cost continued to reduce, laying a solid foundation for the Company’s sustainable development.

Being a professional developer of premium properties in China, Greentown China has always insisted on innovation and continued to explore the relationship between humans and their living space. Through creating aesthetically pleasing architecture, Greentown China is committed to building a better life for more people. Based in Zhejiang, the Company focuses its attention on the top five core city clusters and important city hubs as well as cultivating footprints in first- and second-tier cities and high quality third- and fourth-tier cities. On the basis of traditional development business, Greentown China has vigorously developed featured real estate businesses including town projects, TOD projects and urban renewal projects, etc. Leveraging on its rich land bank, high-calibre human resources and highly effective management structure, Greentown China has established an outstanding brand image in all the cities it operates. The rich experience Greentown China has accumulated in developing numerous high-quality projects together with its outstanding operational capabilities has served to provide strong momentum for its future development.

Project management business commenced in September 2010. In July 2020, Greentown Management Holdings Company Limited was officially spun off from the Company and listed separately on the Main Board of the Stock Exchange (stock code: 09979.HK), which has helped consolidate its leading position in the project management business, while accelerating the business model innovation and scale growth of the Company’s asset-light segment.

The Company’s “Strategic 2025” plan is clear, aiming at building the “quality benchmark among the Top10” and developing the strategic pivot points of “best understanding of customers and best understanding of products”, while focusing on nine major real estate-related businesses. The Company balanced the importance of institutional innovation and new business expansion while maintaining the core business and strives to realise the development of high quality in all aspects in the coming years. Looking ahead, the Company will continue to adhere to the innovation and practice of mixed ownership and maintain its dedication to sincerity, meticulousness of strategies and excellence of operation, so as to build the No. 1 brand of “integrated service provider for an ideal life” in China.

Chairman's Statement



*Chairman of the Board
and Executive Director*
Mr ZHANG Yadong

The year 2021 was the first year in which Greentown China fully implemented the “Strategic 2025” plan. Faced with industrial headwinds, Greentown China responded in a timely manner and even seized the momentum and remained focused on building a “quality benchmark among the Top10”. We won a number of design and construction awards at home and abroad with our product offerings considered among the best within the industry. Sales scale exceeded RMB350 billion with the newly-acquired saleable value exceeding RMB300 billion while delivery scale hit a record high. We ranked first in customer satisfaction with Greentown China being the Top1 both in customer satisfaction across 14 cities and in customer loyalty across 9 cities in the survey of Chinese Urban Residents’ Satisfaction in 2021 held by a third-party; Our development has become more balanced with low comprehensive financing costs.

In 2021, Greentown China continued to demonstrate the corporate culture of “sincerity, kindness, exquisiteness and perfection” and has adhered to its environmental responsibility, social responsibility and corporate governance responsibility in a consolidated fashion by establishing an Environmental, Social and Governance Committee at the Board level and issuing an independent ESG report to promote sustainable development in a practical manner.

Harmonious coexistence and implementation of green concepts. Greentown China regards “green” and “healthy” as vital concepts that are part of a long-term development strategy involving energy-saving technology and environment-friendly design for a green transformation of products. We have vigorously promoted energy-saving and environmentally-friendly trials and researches and more than one hundred projects under construction were recognized as green buildings. We have actively participated in the construction of future communities in Zhejiang Province and implemented low-carbon energy conservation in urban renewal projects. We have focused on developing green operations and continuously improved upon the management of the environment, resources and emissions and we have also set up measures to address climate change risks.

Achieving progress together and becoming a promoter of social responsibility. Greentown China has always deemed “Excellent Corporate Citizenship” as the foundation of the Company focusing on the protection of the rights and interests of customers, employees and society while developing its businesses. We have sustained a product-oriented concept and created benchmark products with humanistic spirit and aesthetic value that highly matches market demand. We have continuously optimized the customer research system, improved our responsiveness and we have strived to protect customer rights and interests as well as improved on customer satisfaction. We have built a training system for the entire career life cycle of our employees and a protection system covering salary and welfare, rights and interests and occupational health and safety. We have proactively participated in the construction of affordable housing and urban renewal to upgrade the living conditions for local people. We have actively devoted ourselves to public welfare and charity activities such as football tournaments, elderly care services, education programs, medical care and environmental protection initiatives: the Zhejiang Professional Football Club (浙江職業足球俱樂部), founded by Greentown, made a comeback to the Chinese Premier League in 2022; the Zhejiang men’s football team originated from Greentown, won the first prize at the Xi’an National Games of China; with the campaign known as “Greentown Forest”, we have donated nearly 100,000 Haloxylon trees in Minqin County, Gansu Province, for the construction of an oasis.

Continuous improvement on corporate governance. Greentown China has insisted on “reform, change and improvement”. It has reinforced its management and sought efficiency through improved corporate governance. Greentown China has established an Environmental, Social and Governance Committee at the Board level for improving the governance structure of the Company and has been committed to elevating the ESG performance of the Company. The Company has continuously pushed forward organizational restructuring and system optimization to upgrade its modern corporate management system; it has persisted with optimizing operational management to boost project operational efficiency and meet business development requirements; it has pursued efforts to enhance the risk control system and established a risk management database ensuring the healthy development of the Company.

Looking forward to 2022, we will take a balanced and coordinated sustainable development approach that boasts “high quality in all aspects” as an overall corporate development goal. Adhering firmly to our belief in pursuing high-quality standards and driven by our aspirations, we will press on in our pursuit of stable and high-quality development that are based on the “Six Qualities” in concert with the “Seven Aspects”. We will strive to become an “integrated service provider for an ideal life” that has the “best understanding of customers and best understanding of products”.

Honors, Awards and Performance Highlights

Honors and Awards in 2021

In 2021, adhering to the basic values of “sincerity, kindness, exquisiteness and perfection”, we are committed to constructing beautiful architecture and creating a better life, which received recognition and won praise from all parties with our strength.

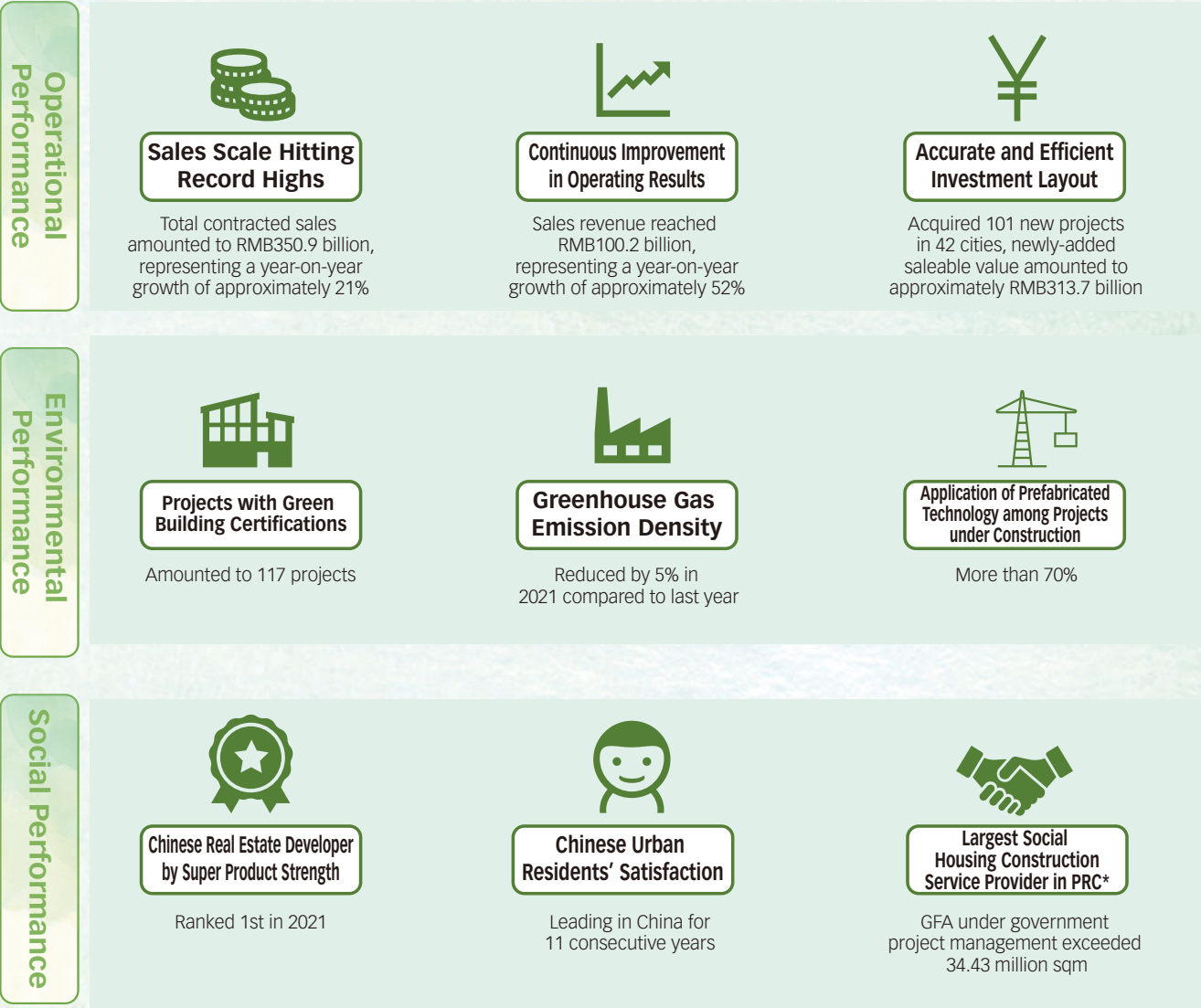
Main Honors and Awards Obtained by Greentown China for 2021:

Awards and Honors	Issuing Institutions
Comprehensive	
Top500 Chinese Enterprises*	China Enterprise Confederation
Top10 among 100 Chinese Real Estate Enterprises 2021 by Comprehensive Strength	China Index Academy
Fortune China 500 List	Fortune
Product	
No.1 Chinese Real Estate Company with Outstanding Product Quality in 2021	China Index Academy
Top10 Chinese Real Estate Enterprises 2021 by Product Quality	CRIC
Top1 Chinese Real Estate Developer by Super Product Strength in 2021	EH Consulting
Top10 Chinese Real Estate Developer by Construction Strength in 2021	EH Consulting
Role Model for Chinese Real Estate Enterprises by Outstanding Product Strength in 2021	Hexun
Enterprise of Outstanding Contribution by Quality Residence in 2020	Zhejiang Real Estate Association
Brand	
Top10 Chinese Real Estate Companies by Brand Value 2021	China Real Estate Business
Chinese Real Estate Leading Brands by Customer Satisfaction 2020	China Index Academy
Top10 Chinese Real Estate Companies by Brand Value (Mixed Ownership) 2021 (First Place)	China Index Academy
Real Estate Companies by Value in 2021	National Business Daily

* Greentown Real Estate Group Company Limited, a wholly-owned subsidiary of the Company

Awards and Honors	Issuing Institutions
Management	
Golden Brick Case for Chinese Real Estate Enterprises – Influential Enterprise in the Real Estate Industry 2021	21st Century Business Herald
Top10 Chinese Real Estate Developer by Community Operation Strength in 2021	EH Consulting
Top10 Role Model of Listed Company in the Real Estate Industry by Operational Strength 2021	Hexun
Public Welfare	
2020-2021 China Real Estate Social Responsibility Enterprise	China Index Academy
Top10 China Green Real Estate 2021	The Investment Association of China
Top10 China Green Real Estate Index (Commercial) 2021	The Investment Association of China
2021 China Real Estate ESG Responsibility Enterprise	Leju Financial
Social Responsibility Practice Award	China Business Journal
2021 Chinese Enterprise ESG Best Practice Award	Caillianpress
Top10 China Real Estate Brand Public Welfare Case in 2021 ("Growing Spring Blossom" of an Oasis Co-building Initiative)	Leju Financial
Talent	
The Favorite Brand as Employer in the Real Estate Industry for Chinese University Graduates 2021	China Real Estate Association
The Best Employer in Chinese Real Estate 2021	EH Consulting
The Best Employer in China 2021	CHIRC
2021 China Talent Management Excellence Model Award	Beisen Research of Talent Management

Performance Highlights for 2021



* Greentown Management Holdings Company Limited, a subsidiary of Greentown China

Product-Oriented Concept





Deqing Fengqi Yunlu

Product-Oriented Concept

We have always been taking product quality as the “No. 1 project” of Greentown China, and gradually developed a corporate growth path featured with high-quality development. During the Reporting Period, the Company won over 10 comprehensive national awards, including the “No.1 Chinese Real Estate Developer by Super Product Strength in 2021 (2021年度中國房企超級產品力第一名)” issued by EH Consulting and “No.1 Chinese Real Estate Company with Outstanding Product Quality in 2021 (2021中國房地產產品力優秀企業第一名)” issued by China Index Academy, with product quality highly endorsed by the industry and customers. Through insisting on quality, we fulfill our corporate responsibilities by enhancing the core competitiveness of the products to achieve “staying true to our original aspiration and conforming to the times”. We also attach great importance to design and touch our customers’ emotions by the city’s culture and art to realize “great beauty being achieved by continuous pursuing”. With satisfying customer needs as our starting point and foothold, we refine service by performing “people-oriented with sincerity”. We focus on green development and give back to nature by assisting the sustainable development of the green building industry and the ecological environment to practice “environmental friendliness and technology empowerment”.

(I) Quality

Based on quality and focusing on product innovation, system construction, quality control, cost reduction and efficiency improvement, Greentown China continuously enhances the core competitiveness of products. Greentown China strictly adheres to the product red line, and has formed a “Greentown-styled” engineering management system based on years of practice, which emphasizes the safety, refinement, intelligence and higher efficiency of project construction, and built a digital platform for project intelligence, to ensure product quality effectively.

Quality Social Housing: improving the living standards of the local people and promoting the sharing of urban civilization

In recent years, benefiting from the advantages of the whole industry chain, Greentown China has successively built a batch of “the most beautiful social housing”, and vigorously improved the living standards of local farmers and relocated households. The overall living level will be improved against the background of high-quality development and construction for a shared prosperity demonstration zone in Zhejiang Province. Greentown China’s development of social housing can be traced back to 2005, when it first joined the renovation of urban villages in Jianggan District and built the first social housing project. At that time, it was rare for developers to build social housing, and it was even a forward-practice for Greentown China to build social housing according to commercial housing standards. The trustor and residents were all overjoyed after the project was delivered.

Greentown China continues to explore the high-quality practice of social housing and is committed to creating a stable, beautiful and harmonious human environment to build excellent architectural works for the urbanization process. As a typical quality social housing project of Greentown China, Hangzhou Mingdemingli Mansion has become the carrier of living scenarios and family coziness for the residents.



Hangzhou Mingdemingli Mansion

Beijing Xishan Yanlu: promoting the innovation of advanced technology and forming the quality benchmark

Beijing Xishan Yanlu won the Tien-yow Jeme Civil Engineering Prize (Gold Award for Prime-quality Residential Community) in 2021, the top prize set up by the China Civil Engineering Society. As a major project of Greentown to expand its layout to Beijing, Beijing Xishan Yanlu adopts Greentown’s classic second-generation high-rise design, with classical additions of structural features to the exterior walls of simple and straight modern constructions. It is featured with its long width and short depth, which represents an architectural aesthetics of “supreme flat”. For the park planning and architecture design, it applies the design technique of “axial symmetry”, exterior wall-clamp layout with rational depth-to-bay ratio, while its buildings are arranged in a clear hierarchy, high in the northern and low in the southern.

Greentown China launched a pilot of new industrial technologies such as aluminum molding process, hoisting frame system, interlacing construction in Beijing Xishan Yanlu project, so as to improve the construction quality and work efficiency, and shorten the construction period.



Beijing Xishan Yanlu

(II) Design

Greentown China continues to carry out product design, focusing on creating a spiritual space by using modern architectural symbol systems and artistic aesthetic language systems. After years of accumulation and development of design innovation work, the design innovation system is leading the industry trend by “benchmark innovation”, “special innovation”, and “local innovation”. During the Reporting Period, Greentown China won more than 40 architectural design awards at home and abroad including the MUSE Design Awards from the US, I-ding International Design Award, ensuring the steady development of Greentown China with high-quality R&D results.

Hangzhou Phoenix Mansion: combining city landscape and integrating traditional aesthetics with modern life

Hangzhou Phoenix Mansion won the “Interior Design Award for High-Rise Apartment (高層住宅室內設計獎)” and “Interior Design Award for Sample Houses (Chinese-style Mansion) 樣板房室內設計獎 (中式宅邸)” of the “Asia Pacific Property Awards”. Hangzhou Phoenix Mansion is situated in the core of the main urban area of Hangzhou. The project is constructed along the river. The layout of the buildings considers the view taken from the apartments to the river and the visual aesthetics of the project from the perspective of the city. By laying a steel spring floating board under the land parcel and at the adjacent connection lines and other approaches, the resonance caused by the operation of the metro is minimized.

The project is an integration of Chinese courtyard and modern high-rise apartment. The part of high-rise apartment is built with a style of neatness with sleek modern materials. Stones in Indian blue, aluminium plates in silver together with highly-translucent glass match with the surrounding landscape of the city. For the part of the Chinese courtyard, it inherits the styles and elements of Jiangnan traditional mansions, while modern architectural concepts and materials are introduced. Greentown China plays the duet of traditional and contemporary lifestyles, building on Chinese spirit with Western techniques.

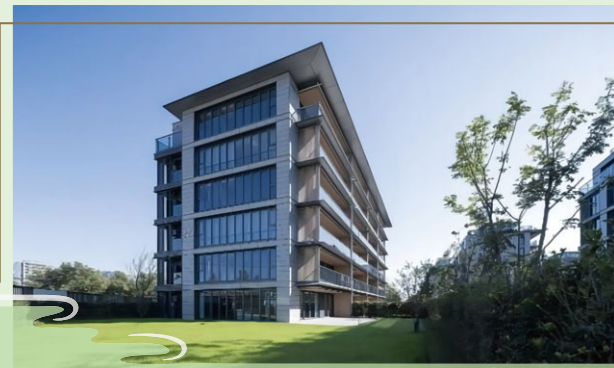
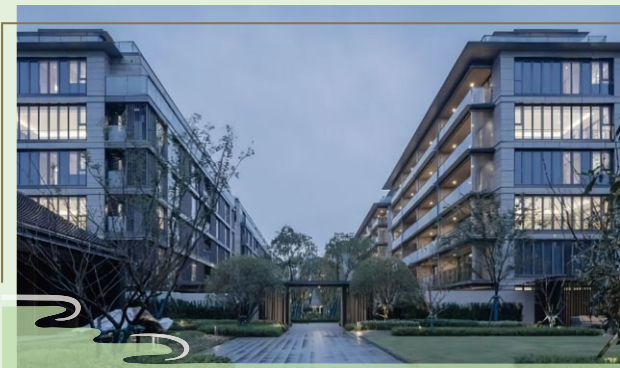
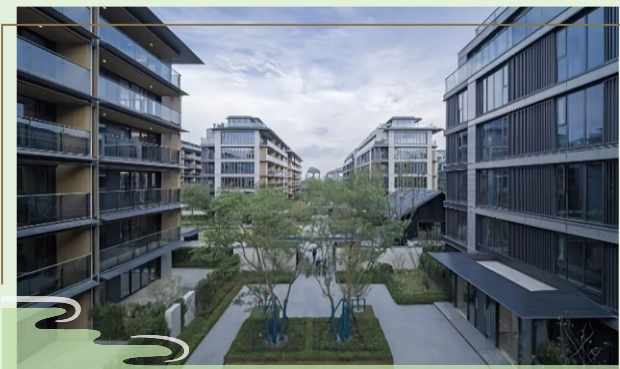


Hangzhou Phoenix Mansion

Hangzhou Hujing Yunlu: building design and aesthetic model and delivering humanistic emotion

Hangzhou Hujing Yunlu was awarded the “Top10 High-end Products of China in 2021(2021年度全國十大高端產品)” and the “Top10 Deliverable Products of Hangzhou in 2021 (2021年度杭州十大交付力作品)” by CRIC. Hangzhou Hujing Yunlu project is situated in the core area of Hangzhou Future Sci-tech City. It is the core area leading Hangzhou’s future industries and building a model for the future city. At the planning level, aiming to meet the future urban development and the physical and mental needs of the high-level group, Greentown China comprehensively and systematically improves the design standards of low-density residential buildings, forms a well-organized community space, and builds a high-end residential landmark with urban value. At the architectural level, Hujing Yunlu integrates space, color, components, materials and other elements into the structure in a simple overall form to form a delicate and rich experience.

The successive balcony interface, matching silver-gray of the aluminum profile and the light wood color from the oak grain and contrast against the green plant, create a warm and comfortable atmosphere. Since its completion, Hangzhou Hujing Yunlu has become a new model of high-end villas in China, and also a systematic innovation of low-density residential products. The evolution of design and aesthetics continues, carrying Greentown China’s deep affection for human geography and infinite expectations for future potential.



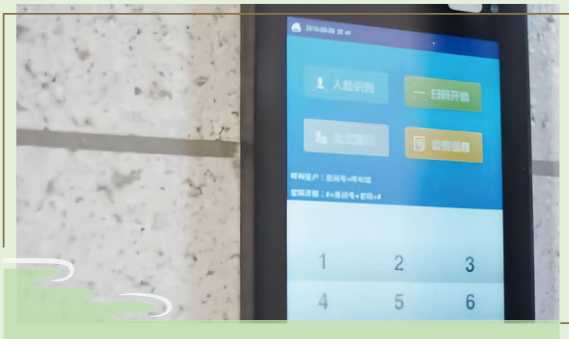
Hangzhou Hujing Yunlu

(III) Service

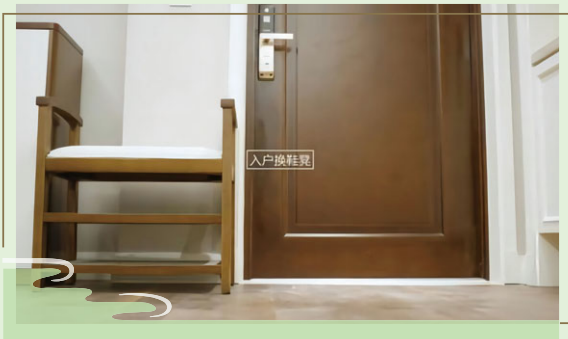
Greentown China optimizes the customer research system with customer-oriented thought, and it has won the honorary title of “Chinese Real Estate Leading Brands by Customer Satisfaction (中國房地產顧客滿意度領先品牌)” for 10 consecutive years, and has been leading the industry in the “Chinese Urban Residents’ Satisfaction (中國城市居民居住滿意度)” survey for 11 consecutive years. The upgrading of products and services is not based on the aesthetics of Greentown China, but on customers’ natural needs. We firmly believe that we can accurately meet customer needs only when the customer market is segmented. During the Reporting Period, Greentown China conducted an in-depth survey on more than 50,000 groups of owners whose houses were delivered in 2019-2020, focusing on improving customer satisfaction and enhancing overall service quality.

Zhoushan Ruxin Town Ginkgo Garden: focusing on the needs of elderly and escorting the “silver age” life

Zhoushan Ruxin Town Ginkgo Garden was officially delivered in 2019 and won the China Construction Engineering Luban Awards (National Quality Project) in 2021. Located in the center of Ruxin Town, adjacent to Yile College, Ginkgo Garden practices the oriental tradition of “honoring old people as we do to our aged parents”. Considering the high demands of the elderly for life care, Ginkgo Garden has set up multiple aging-friendly designs in the hardcover apartment space from the perspectives of daily living and living habits. The interior is equipped with water heating and household central air-conditioning with various proper designs reflecting Greentown China’s thoughtful care for the elderly. Living a peaceful life not only lies in improved facilities, but also in emotional care and carrier. Greentown China is committed to providing a better living experience for the elderly, escorting the “silver age” life from multiple dimensions, and allowing the elderly to enjoy a warm life.



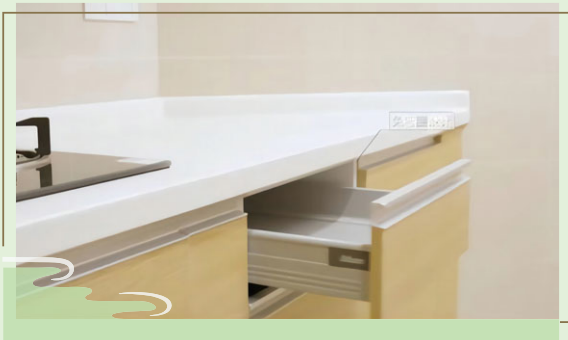
Access control adopting intelligent face recognition system and entry door applies card-type digital lock and video intercom



Increasing the entry space and interior circulation width and place a shoe changing stool with armrests at the entrance



Setting the switch height to 110cm



Cabinet bend-free design

Hangzhou Hope Future Community: integrating services with regional features and improving residents' happiness

In May 2021, Hangzhou Hope Future Community was recognized as the third batch of future community “integration and improvement” creation projects in Zhejiang Province. Due to the large area of the Hope Town project, each block has its own special emphasis according to the basic conditions and construction characteristics: the southeast area is characterized by neighborhoods; the southwest area is characterized by entrepreneurship; the northeast area is characterized by commerce and education; the northwest area is characterized by healthcare; and all residents can realize the resource sharing of the four areas through the digital platform.

To further enhance the beautiful experience of residents, the Hope Town Charity Organization Spark Volunteer Team has dedicatedly launched a series of positive energy cultural dissemination action plans. 70 volunteers are paired with 34 empty-nest and widowed elderly people to relieve loneliness and provide spiritual comfort for the elderly, which effectively improves the Hope Town community's sense of belonging, comfort and happiness.



Hundred family banquet among neighborhoods



Service week of neighborhoods



A bowl of longevity noodles



Shared library in future community

(IV) Green

As a green building explorer, Greentown China actively explores and innovates based on implementing the ideas of “green” and “health”. Greentown China pays attention to the relationship among people, nature and cities, and requires a cozier environment. We believe that urban renewal has become a trend, and the transformation of the living model is imminent; the China-chic culture is showing a revival, and the urban context needs to be highlighted; the dual carbon goal is on the agenda, and the living experience adapts to it.

Quzhou Lixian Future Community: anchoring low-carbon development and creating energy-efficient buildings

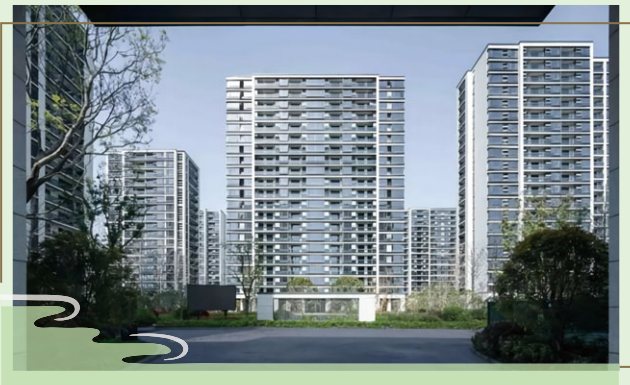
The south-facing windows and the sliding door of the living room balcony of Quzhou Lixian Future Community are all made of three-glass two-chamber insulating glass, whose coating on the surface can greatly improve the reflectivity of infrared rays, and based on different energy saving needs, argon gas is filled in some parts to further reduce heat transfer and reduce indoor heat loss. At the same time, the inorganic thermal insulation board in the outer wall adopts thicker specifications to further improve the performance of the outer wall’s “warmth” in winter and “heat insulation” in summer. Quality life is inseparable from the “manufacturing” of comfortable temperature and the energy supply forms such as heating, cool air and hot water will result in different energy consumption. The self-owned commercial area of Quzhou Lixian Future Community Neighborhood Center adopts the ground source heat pump plus water source VRF system, which can reduce energy consumption by approximately 30% compared with ordinary central air conditioners.



Quzhou Lixian Future Community

Hangzhou Haichao Yayuan: promoting environmental protection concept and contributing to the reconstruction of urban brownfield

Greentown China has substantial advantages in ecological landscape design, environmental protection and technological dimensions. Having an early history of tapping into the urban brownfield reconstruction, Greentown China experienced some highly successful brownfield redevelopment cases in recent years. For example, the Hangzhou Haichao Yayuan project, which was originally the location of the Hangzhou Rubber Factory, has been successfully developed into a quality social community and a high-standard kindergarten after taking various measures such as making an adequate environmental assessment and carrying out the land pollution restoration. Its design and development quality, urban public image and residents’ practical satisfaction are all ahead of domestic similar projects, and it has become a brownfield public demonstration project in Hangzhou. In this process, the environmental protection concept, the understanding of the site environment, the application of composite technology, the reasonable planning and design, and the balance and implantation of business formats promoted by Greentown China have all become important elements in the successful regeneration of the brownfield.



Hangzhou Haichao Yayuan



Xi'an National Games Village



Governance

Continuous

Improvement and

Steady Progress

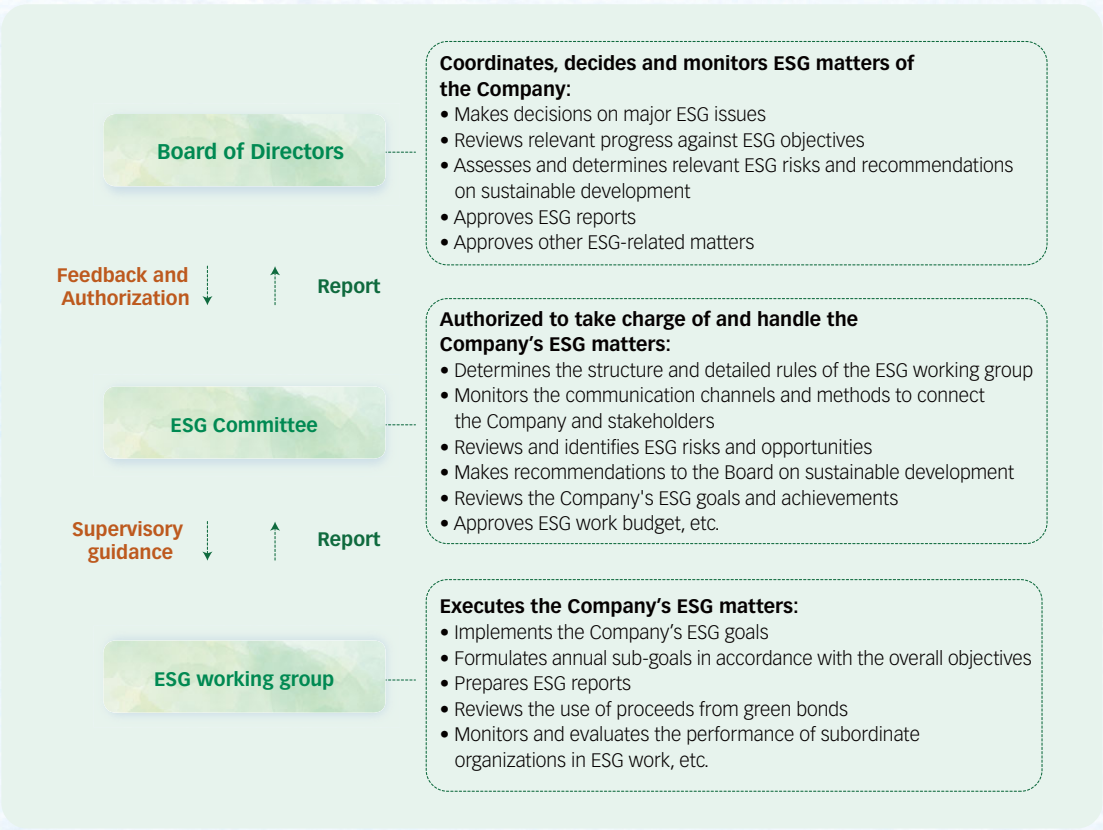
Governance: Continuous Improvement and Steady Progress

1.1 ESG Governance

Greentown China firmly believes that actively undertaking ESG responsibilities and promoting the sustainable development of the industry and society is the basic premise for the sustainable growth of an enterprise. It is also an important means to implement the corporate mission of “creating platform for employees, creating value for customers, creating beauty for the city and creating wealth for the society”. Therefore, Greentown China has established a three-level governance structure for managing ESG matters to ensure the implementation of the corporate’s environmental, social and governance work, and actively established diversified, timely and effective communication channels with various stakeholders to help the corporate better respond to concerns of all parties and achieve sustainable development of Greentown China.

1.1.1 ESG Governance Structure

To improve the corporate governance structure, further standardize the Company’s environmental, social and governance systems and practices, and promote sustainable development, in August 2021, Greentown China has established the Environmental, Social and Governance Committee (“ESG Committee”) at the Board level, of which the chairman of the Board serves concurrently as the chairman, to guide and supervise the management and practice of the Company’s ESG work, and set up an ESG working group under the ESG Committee, comprising related functional departments with the Board secretary serving as the group leader, to implement the Group’s ESG daily work, striving to improve the Company’s ESG performance. The ESG Committee and working group report regularly to the Board to help it assess and determine the appropriateness and effectiveness of the Group’s ESG strategy, action plans, risk management and internal control systems.



Greentown China ESG Governance Structure

Through the three-level management structure of “Decision-making – Management – Execution” (i.e. the Board as the core for Decision-making, ESG Committee as the core for Management, and ESG working group as the core for Execution), Greentown China clarifies the responsibilities at each level to ensure effective implementation of ESG management requirements and promote sustainable development of the Company.

Board Statement

Overall Responsibility of the Board

The Board is ultimately responsible for the performance of Greentown China’s ESG performance and has established an ESG Committee to formulate and review the Company’s ESG responsibilities, vision, goals, strategies, frameworks, principles, policies and key risks, etc. The ESG Committee must be composed of at least three Directors, hold regular meetings, supervise and manage the Company’s work on ESG issues, and make recommendations to the Board.

Execution of ESG Work

The ESG working group is mainly responsible for the execution and implementation of ESG works. The ESG working group is responsible for ensuring the implementation of the environmental, social and governance goals, systems and policies approved by the Board, and that sustainable development is integrated into daily operations. The ESG working group regularly reports to the ESG Committee, supporting the Board in regular review and development of the overall ESG strategy.

ESG Risk Management

The Board is responsible for assessing and determining the Company’s environmental, social and governance risks. The ESG Committee is responsible for identifying and evaluating business risks and opportunities based on the internal and external conditions of the Company’s business, and the Board reviews and decides on risk response, mitigation strategies and risk frameworks to ensure that the Company establishes appropriate and effective sustainable development management and internal control systems.

Important ESG Issues

The ESG Committee is responsible for monitoring the communication channels and methods between the Company and its stakeholders and ensuring that relevant policies are in place to effectively promote the relationship between the Company and its stakeholders. At the same time, based on the concerns of various stakeholders, the ESG Committee identifies important ESG issues, and recommends specific ESG actions or decisions for the Board to consider.

1.1.2 Communication with Stakeholders

We are well aware that opinions from stakeholders are essential for the formulation and implementation of short-term and long-term sustainable development strategies. To help the Group identify potential risks in its business operations and better respond to stakeholders’ concerns on issues regarding sustainable development, we actively establish a regular and diversified two-way communication mechanism with our stakeholders, and engage in more in-depth and extensive communication with them through various channels to understand their demands and expectations in a timely manner and make strategic planning to help the Group achieve long-term sustainable development.

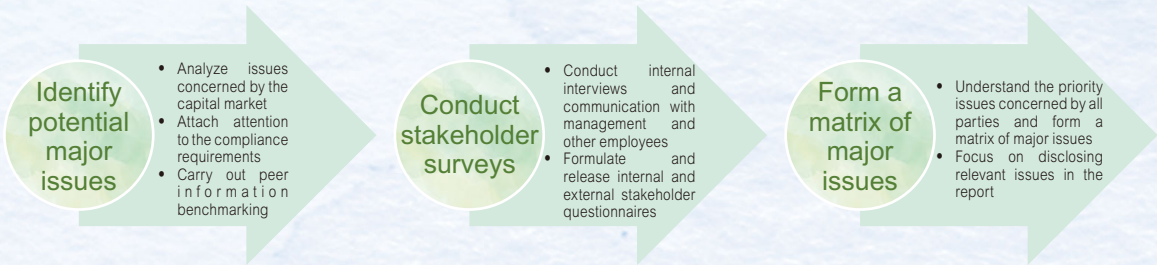
The stakeholders we have identified include customers/homeowners, governments and regulatory authorities, shareholders and investors, employees, partners and the communities. The following table sets out the key concerns of the different stakeholders and the corresponding communication channels during the Reporting Period.

Stakeholders	Key Issues of Concern	Communication Channels
Customers/Homeowners	Product quality and safety Customer service quality Protection of customers’ privacy and information	Company website Customer activities Customer satisfaction surveys WeChat official accounts
Governmental and regulatory authorities	Legitimate and compliance operation Anti-corruption and Integrity Emissions Management Response to climate change Creation of employment opportunities and promotion of economic development	Regular communication Compliance reports
Shareholders and investors	Risk control and compliance operation Economic benefits Opportunities in green buildings Response to climate change	General meetings Investors’ meetings Results announcements Annual reports, interim reports Company website WeChat official accounts

Stakeholders	Key Issues of Concern	Communication Channels
Employees	Employee rights protection Employee salary and welfare Employee training and development Equality and diversity Health and safety	Department meetings Training needs surveys Publication of announcements Labour union activities
Partners	Legitimate and compliance operation Industry development Supplier management Intellectual property protection	Public tendering Site visits Supplier conferences
Communities	Creation of employment opportunities and promotion of economic development Social care and voluntary service Use of resources	Public welfare and charity activities Community construction

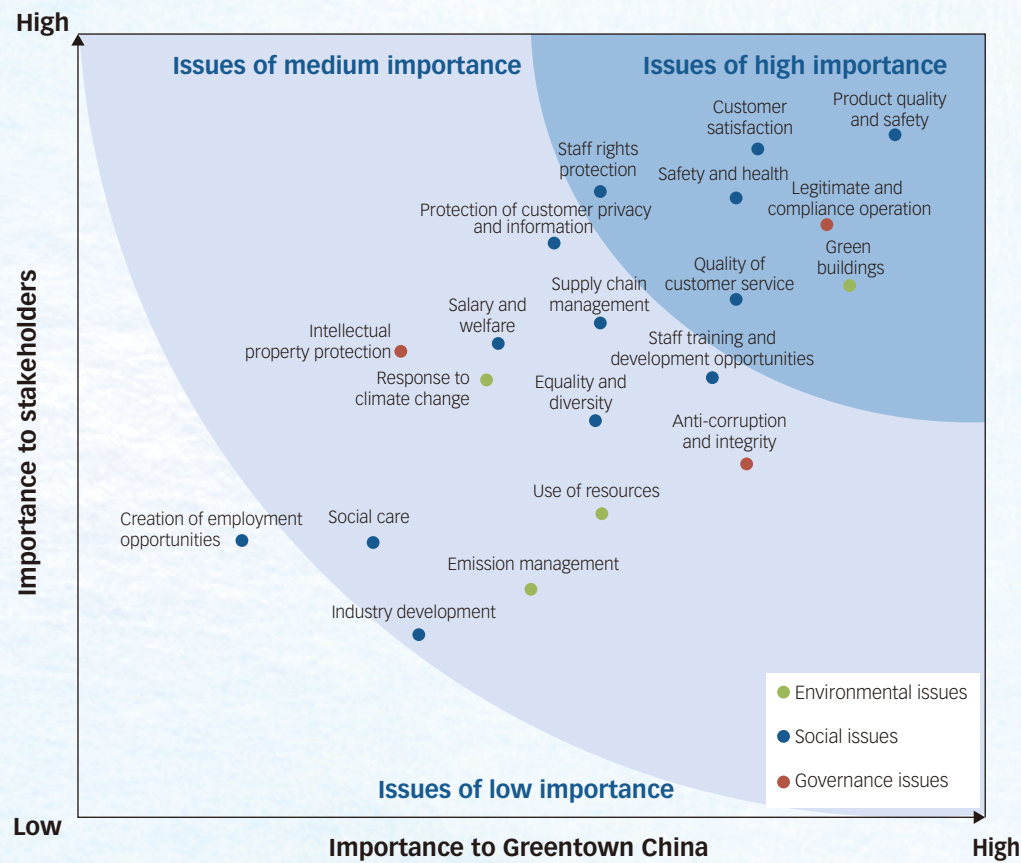
1.1.3 ESG Major Issues

During the Reporting Period, based on various forms of communication with stakeholders, Greentown China carried out the identification of major issues. On the one hand, we made references to the information disclosure guidelines of HKEx, the sustainable development issues that the rating agencies of the capital market are concerned about, and conducted a benchmarking analysis of peer disclosures. On the other hand, we conducted several in-depth interviews with internal stakeholders, and distributed and collected nearly 200 questionnaires on major issues to internal and external stakeholders to understand their expectations on Greentown China’s response to and disclosure of ESG issues, in order to sort, analyze and summarize the issues of concern to key stakeholders. During the Reporting Period, the Group evaluated and analyzed the major issues through the following assessment process:



Analysis Process of Major Issues of Greentown China

According to the analysis, we ranked the importance of each issue in terms of its importance to the sustainable development of Greentown China and its importance to the stakeholders, and identified seven issues of high importance, twelve issues of medium importance and one ESG issue of low importance. ESG issues of high importance will constitute the key parts of the report, and we will disclose the details of the issues in each chapter of the report.



1.1.4 Green Finance

Greentown China has been committed to practicing the concept of green development for a long time, actively promoting the sustainable development of green buildings and ecological environment, paying attention to social development and changes, insisting on compliance operation, and proactively participating in education, healthcare, environmental protection and other public welfare.

In order to effectively implement the sustainable development concept of the Company and actively comply with the development trend of the green industry, Greentown China launched a Green Financing Framework in August 2021 which is aligned with 2021 Green Bond Principles (“GBP”) by the International Capital Markets Association and was provided with a green certification for the framework and a Second Party Opinion by Vigeo Eiris, an independent third-party rating agency.

In accordance with such framework, Greentown China seeks to invest in qualified green projects, including green buildings, sustainable water resources management, renewable energy, clean transportation, and climate change adaptation measures by issuing green bonds and raising green loans, actively responding to the green development issues of the United Nations Sustainable Development Goals.



During the Reporting Period, Greentown China has established the ESG Committee at the board level and set up an ESG working group to review and select qualified projects on a regular basis to ensure that the selected projects comply with the use of proceeds stated in the Green Financing framework and meet the applicable requirements of the environment guidelines under the Green Bond Principles and Green Loan Principles, and is responsible for managing the future development and update of this Framework, including any expansion of the purpose and scope.

1.2 Responsibility Operation

At the strategic level, Greentown China adheres to the corporate goals of “speaking morals, walking the right path, and achieving positive results”. While continuously expanding its business layout, Greentown China always insists on and pursues a higher level of corporate governance, and strives to practice the business philosophy of “exquisite quality, stable operation”, cultivating corporate culture of integrity and fairness and creating transparent and dynamic business environment.

1.2.1 Compliance Management

Lean governance and strict risk prevention are the working guidelines of Greentown China to improve its own compliance construction and ensure the steady development of the enterprise. Greentown China strictly complies with *the Company Law of the People’s Republic of China* (《中華人民共和國公司法》), *the Basic Standard for Corporate Internal Control* (《企業內部控制基本規範》) and its supporting guidelines, the Listing Rules and other relevant regulations, and formulates and implements corporate governance policies and measures.

In order to ensure the compliance of corporate governance, we have issued the *Administrative Measures for Responsibility Investigation* (《責任追究管理辦法》) and *Organization Management Manual* (《組織管理手冊》) to strengthen corporate compliance management, standardize staff behaviors and ensure the stable development of the Company. We take national laws and regulations as well as rules and regulations of Greentown China as the criterion, and investigate accountability for negative behaviors of employees through system construction. The Group has formulated the *List of Negative Behaviors* (《負面行為清單》), which clearly categorizes violations of laws and disciplines as well as forms of accountability.

In addition, in order to improve the effectiveness of risk management, we have formulated the *Measures for Comprehensive Management of Risks* (《全面風險管理辦法》) to establish a risk management structure with clearly defined powers and responsibilities and each performing its own duties. The Board of Directors of Greentown China has set up an audit committee, which is responsible for monitoring and evaluating the Company’s internal control and risk management system. On this basis, Greentown China has formed a risk management organization system consisting of front office, middle office and back office, forming a complete system of risk identification, information collection and analysis. The ESG risks from daily operations have been covered by the risk management system of the Group.

We have established a standardized risk audit process and continuously improve the risk list. Based on the analysis of major business risks, during the Reporting Period, we further improved the *Risk Management Database for the Asset-heavy Sector* (《重資產板塊風險管理數據庫》), and contained corporate governance, risk management, business operations, legal affairs, finance and auditing. In addition, in order to realize the effective use of the risk management database, Greentown China further promotes the visualized and intelligent management of the risk control, promotes the risk control transformation of the OA portal process center step by step, integrates the risk control database into the approval process, and promotes the combination of process approval and risk management.

During the Reporting Period, the internal audit department carried out a total of 27 audits, of which 8 were entrusted to external third parties, and the audit results showed that Greentown China’s risk control was in good condition and no major abnormalities were found. According to the audit results, Greentown China required the auditee to rectify the corresponding problems within a time limit, and required the relevant departments to improve their policy system. On this basis, Greentown China further strengthened the publicity of relevant policies to avoid the recurrence of similar problems.

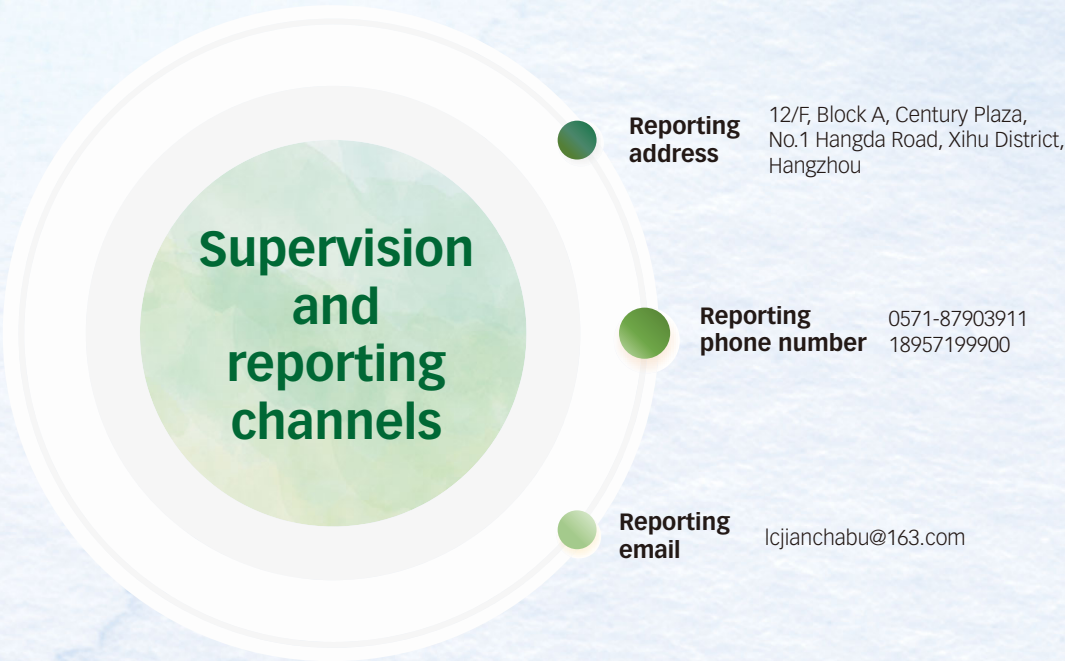
1.2.2 Business Ethics

Greentown China strictly abided by laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), and the *Interim Provisions on Banning Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》), formulated in-house anti-corruption systems such as the *Integrity and Self-discipline Standards for Staff* and the *Measures of Suspension for Inspection* and continued to strengthen the integrity management of the Group to eliminate the occurrence of illegal acts such as bribery, extortion, embezzlement of public funds.

In addition, the Group has formulated the *Supervision Management Standards* (《監察管理標準》), *Supervision Work Standards* (《監察工作標準》) and other system standards to build a complete supervision system. At the same time, we combined the business process standards with the accountability measures to eliminate power vacuum and ensure targeted action to be taken against fraud and corruption throughout the Group's operations. We included the supervision of business ethics in the development of various audit businesses and business ethics audit procedures in both economic responsibility audit procedures and special audit procedures as well as paying high attention to the possible violations of regulations and disciplines, and the loss of economic benefits due to various business ethics situations.

During the Reporting Period, there was no litigation relating to corruption claims against the Group.

In order to implement the principle of honest operation, we have formulated the *Integrity Reporting and Rewarding System*, to reward those who expose and report violations of rules and regulations of Greentown China and provide investigative clues. In order to support staff to supervise the Group's operation activities and transparent environment, we have set up various channels for complaints and reports. In addition, in accordance with the *Administrative Measures for Responsibility Investigation*, we keep the information of whistleblowers confidential through institutional constraints, ban and severely punish the behavior of retaliation against whistleblowers.



We are well aware that the anti-corruption awareness among employees and the integrity of the Company are highly important for us to create a fair, transparent and healthy business environment. During the Reporting Period, we carried out 10 publicity activities and training sessions on "Anti-Corruption and Integrity", covering 3,000 employees.

Carried out “Month of Integrity” Activities to Create an Honest and Upright Corporate Culture

In a series of activities of “Month of Integrity” carried on in November 2021, we arranged employees to watch training videos and participate in honesty education and strengthened their interaction to create an honest and upright corporate culture.

A “Letter of Integrity” into the home

We sent a “Letter of Integrity” with the themes of “Proud of Integrity, Shame on Corruption” and “Govern the Family with Morality and Support the Family with Integrity” to the family members of the Company’s key employees. Over 99% of employees in Greentown China’s headquarters and subsidiaries involved in the activity.

Watching an education film about integrity

The arrangement of employees to watch a warning education film about integrity is to sound an alarm for all employees and bring caution to them to improve legal awareness and strictly abide by laws and regulations as well as various rules and regulations of the Company. The film viewing training covered 100% of employees in Greentown China and its subsidiaries.

A case sharing meeting of “the society around you”

Discipline inspection and supervision department of Greentown China conducted on-site integrity training seminars in all subsidiaries and carried out 10 seminars during the Reporting Period.



1.2.3 Intellectual Property

In the process of continuous product innovation, Greentown China paid great attention to protecting its own intellectual property rights while ensuring that it did not infringe the intellectual property rights of others. We strictly complied with the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) and the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》) and protect our intellectual property in a timely manner. As of 31 December 2021, Greentown China has 761 registered trademarks, obtained 560 patent authorizations and completed 141 copyrights (such as art works, compilation works, etc.) registrations.

Greentown China formulated and continually updated its internal system and papers such as *Administrative Measures of Intellectual Property Management* (《知識產權管理辦法》) and *Regulations on Strengthening the Protection and Use of Intellectual Property* (《關於加強知識產權保護和使用規範》) and regulated the management of the principle of using trademarks and copyrights to build an intellectual property management system. During the Reporting Period, we passed the second annual review of the National Intellectual Property Management (GB/T 29490-2013) certification, which demonstrated our level of standardized management of intellectual property planning, application as well as risk prevention and control.

On the basis of building a guarantee system, we continuously promoted the implementation of corresponding measures of process management through intellectual property management trainings. During the Reporting Period, based on the internal training, we further invited external experts to explain the basic knowledge of enterprise intellectual property for employees to improve their ability of intellectual property management and guarantee the compliance of internal intellectual property management.

1.3 Product Quality Control

Greentown China adhered to the development strategy of “prioritizing product quality, taking others into consideration” and moved forward to the strategic pivot points of “best understanding of customers and best understanding of products” to achieve the “Strategic 2025” Plan. We achieved “efficiency improvement” by optimizing the research and development chain, “quality assurance” by developing design advantages and “strong team” by unifying the consciousness and standards to escort for the birth and promotion of high-quality products.

1.3.1 Product Research and Development

Greentown China leads the business development with product iteration and the development direction of Chinese cities and architecture with constantly evolving cognition and innovative products. Driven by comprehensive research and development capabilities, the Company has gradually formed a multi-dimensional, stereoscopic and sustainable products series, becoming essential support for Greentown China to build a better life in the new era.

Philosophy and Objectives of Research and Development

Innovation is the only way to achieve inheritance and development. Greentown China takes the present as the basis, the future as the imagination, and insight into customers’ deepest needs as the basis for constructing research and development concepts, blooming one beautiful work after another. In 2021, we upheld an R&D philosophy of “living with temperature” to ensure the alignment of product innovation with customer needs in all aspects.



2021 R&D Philosophy of Greentown China

In order to adhere to and implement the innovation fundamentals led by quality benchmarks, Greentown China implements a goal-oriented R&D management mechanism. Meanwhile, we designed the product development path with a forward-looking strategic vision. We established long-term development goals to achieve a long-term guarantee of product research and development to customers’ demands. We constantly expanded and developed Greentown China product series, with “humanity, aesthetics” as the strong IP¹ of Greentown China’s products, “green, wisdom” as a strong starting point in Greentown China’s product connotation improvement to continue to promote the evolution and upgrading between humans and their living space in Greentown China.

¹ IP: Intellectual Property, refers to the symbol that can form intangible asset on broad sense.

R&D Management

In order to implement comprehensive and effective R&D management, Greentown China deployed and optimized the R&D management mechanism according to the characteristics of institutionalization, systematization and normalization, providing multiple and solid guarantees for the R&D.

In terms of system guarantee, Greentown China strictly complied with the laws, regulations and management measures of the place where it operates and has established the *Administrative Measures of Intellectual Property Management*. It regulated the procedures of intellectual property management and the requirements, providing a solid guarantee for R&D achievements. In order to ensure the landing of R&D achievements, Greentown China has formed a virtuous cycle of “design-product-reserve”. For the direction of R&D control, we take design as the guide, and promote with the coordination with multiple lines. In 2021, Greentown China set up a hierarchical and systematic R&D matrix, laying a foundation for the next step of innovation. For the application of R&D results, Greentown China established benchmarking pilots in first-tier cities to form a strong connection between the landing of R&D results and the investment.

Since its establishment, Greentown China has always focused on sustainable architectural design strategy and construction technology, actively promoted the implementation and presentation of technology, and adhered to high standards to lead and demonstrate for the industry. To encourage the development of green R&D, we carried out comprehensive low-carbon technology and resource conservation considerations for R&D projects in the design stage. We practiced corporate responsibility for society and the environment through the media of products. In order to systematically enhance the green attributes of R&D results, Greentown China launched the “Greentown Green Wisdom System” in 2021. Through green wisdom, it upgraded the connotation between humans and their living space by promoting service and experience improvement, which further broadened the boundary of an ideal life.

Greentown China Set up the “Greentown Green Wisdom System”

At the beginning of 2021, Greentown China convened a launch meeting of the green wisdom innovation and R&D. The meeting emphasized that Greentown China would improve green wisdom to align the level of product strategy. Its products would form a green wisdom system with the core of Greentown humanism through double loading of green health and wisdom technology to expand the new ability puzzle and realize the restarting of connotation.

Since 2021, “Green Wisdom Special Chapter” must be included in the evaluation texts of the on-site meetings, in-depth meetings, and final draft meetings of Greentown China’s landing of housing projects. The content should contain green wisdom analysis, green health plan, green/smart sub-files and cost standard, mental/physical health standard equipment list, green/smart example demands and configuration list, the smart park demands and configuration list and intelligent home configuration, requiring Greentown China to consider related contents when designing and carry out when implementing.

R&D Achievements

Innovation is the inherent gene of Greentown China. We are committed to developing innovative products and producing rich R&D results through preposed innovation. During the Reporting Period, the Group succeeded in launching 23 innovative projects and formed 36 preposed innovative achievements. As of 31 December 2021, Greentown China R&D and Design Center has applied for 46 patents and 83 copyrights.

Greentown China focused on innovative research and development combined with architecture in cutting-edge fields, carried out intensive research in intelligent technology, health, low-carbon and other aspects and verified the effectiveness by combining theory with practice. In terms of research and development achievements in science and technology, Greentown China has carefully developed four product-service packages of “safety, convenience, green and health” through hard practice, giving more imagination and meaning to housing products in future life service iterations.



R&D Achievements of Smart Park in Greentown China

As the R&D result in health aspect, Greentown China focused on the physical scenario setup in the healthy and smart housing during the Year. Based on the four major life elements, air, sunshine, sound and water, we created an exhibition hall of the healthy and smart housing with green, energy-saving and intelligent technology as the core, displaying a healthy and comfortable indoor environment that can breathe and think.



Exhibition Hall of Healthy and Smart Housing

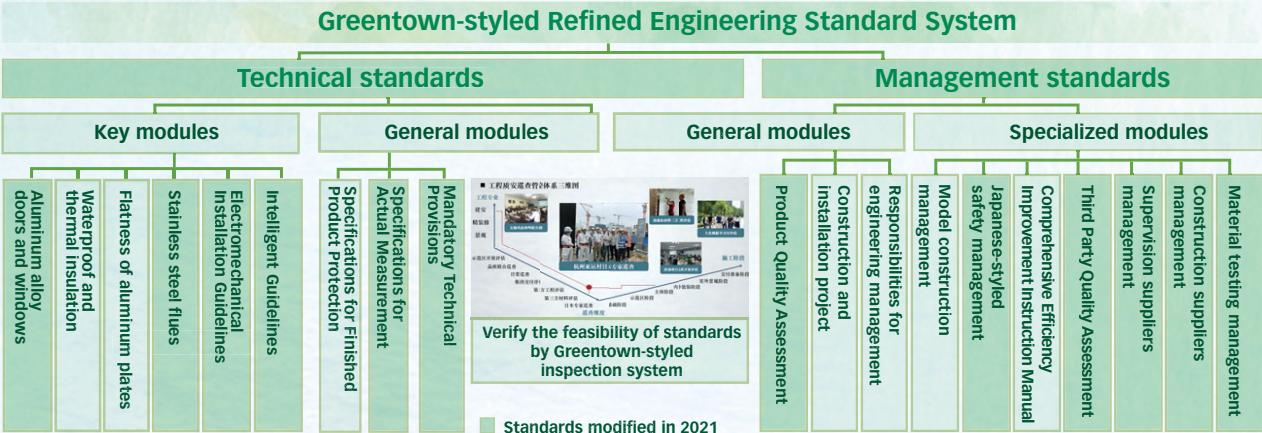
1.3.2 Quality Assurance

Greentown China has established the development strategy of “Quality First” and is committed to building a quality assurance system based on the customers’ demand, enhancing and implementing the quality foundation of standardized products. We continuously optimize the quality control structure and management mode to improve the overall quality, and explore the application of quality improvement measures to combine internal and external management. Regarding team building, we will create a “pragmatic and efficient” organizational atmosphere and provide quality assurance for our customers with an attitude toward steady progress.

Quality Management

Greentown China strictly complies with the *Construction Laws of the People’s Republic of China* (《中華人民共和國建築法》), *Regulations on Quality Management of Construction Projects* (《建設工程質量管理條例》), the *Civil Code of the People’s Republic of China* (《中華人民共和國民法典》), *Measures for Quality Warranty of Housing Construction Projects* (《房屋建築工程質量保修辦法》), *Interpretation of the Supreme People’s Court on the Application of Law in the Trial of Disputes over Construction Contracts of Construction Projects* (《最高人民法院關於審理建設工程施工合同糾紛案件適用法律問題的解釋》) and other laws and regulations and relevant standards in the place of operation.

In terms of system assurance, Greentown China has established the Greentown-styled Refined Engineering Standard System covering technical standards and management standards, which describes the basic working process and policies in detail for the subordinate units, and forms the backbone of the quality management of Greentown China. During the Reporting Period, we modified the technical standards, such as Intelligence Guidelines, Specifications for Actual Measurement, etc., and verified the feasibility of such measures by inspection. Meanwhile, we revised the management standards including Product Quality Assessment, Third Party Quality Assessment, etc., which provide solid assurance for a premium engineering quality system.



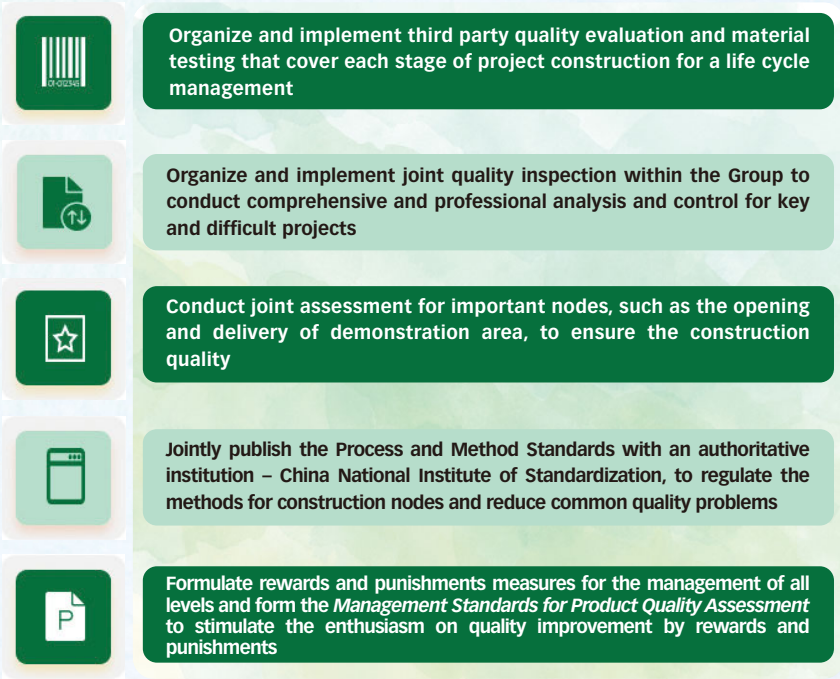
Greentown-styled Refined Engineering Standard System

In terms of system construction, Greentown China passed ISO 9000 quality management system certification in 1999, and implemented comprehensive quality management in 2017. Our overall quality management for the projects implements the control at 3 levels. Led by Greentown China’s product management center and based on the quality management system and standards, we implement the quality management including inspection, assessment, supporting and supervision on the operating process of regional companies and projects of Greentown China.

In terms of quality management for suppliers, Greentown China has formed mature quality management standards including *Quality Red Line Management Standards* (《品質紅綫管理標準》), *Mandatory Technical Standards for Real Estate Products* (《房產品強制性技術標準》), *Greentown China’s Engineering Methods and Common Building Construction* (《綠城中國工程做法與常用建築構造》) (Waterproof and Thermal Insulation Chapter, Refined Decoration Chapter, Landscape Chapter, Installation Chapter, etc.), which specify the requirements for the construction process and control of materials. In terms of the management process, we established separated quality management processes for key suppliers and common suppliers to ensure high-quality delivery and supply of projects. At the same time, we actively apply the strategic suppliers and conduct the supplier localization construction, ensuring our quality by fully utilizing the localized high-quality resources.

Quality Improvement

To achieve the steady improvement of Greentown China’s quality management, we continue to enhance the quality assurance, refine the process monitoring, constantly implement the standardization, controllability and reliability of the quality, and optimize the quality management measures with industry peers and partners, ensuring the production and iteration of Greentown China’ premium products.



Greentown China’s Internal Quality Enhancement Measures

Greentown China’s construction and research center has established its laboratory to create “Greentown Quality” testing system and formed an important management tool to enhance quality control to implement quality control management better. With the commencement and normal operation of the laboratory, Greentown China effectively improves the testing capacity of air, water, and materials for its projects.

“Greentown Quality” Laboratory

Greentown China’s testing center, “Greentown Quality” Laboratory, has established an environment laboratory (air environment, water qualities, decoration materials), material laboratory (artificial sheet materials, coating, pipe materials), intellectualization laboratory (smart parks, smart home, smart connection, electromechanical products), of which, the environment laboratory has CMA Qualification for water, air and materials testing, and has become the powerful backing for the quality control of Greentown China’s projects.

From 2020, “Greentown Quality” Laboratory has conducted quality control for the materials used in the projects under development of the asset-heavy segment of Greentown China, guarding the bottom line of product quality. As the only external material and environment quality control platform of Greentown China, “Greentown Quality” Laboratory integrates the society’s testing resources guided by the quality control demand of regions and projects. Backed by the digital platform, it provides scientific, accurate and efficient testing service for the Group, the regional companies and project companies, empowering the quality management for Greentown China’s products.



“Greentown Quality” Laboratory

Quality Training

The enhancement of the staff’s awareness and capacity of quality is an important safeguard of the construction quality of Greentown China. We adhere to the quality management requirements as our guideline and promote our staff in all aspects to keep consistent with the Group’s quality requirements. We carry out specialized trainings for new employees and employees of various professional lines aiming to improve the quality assurance levels of our internal staff by diversified quality training forms and contents. The quality training has reached 100% coverage of all staff.



Professional Trainings
for New Employees

All new employees should receive professional trainings to understand Greentown’s management and control system and technical requirements



Special Trainings

Various special trainings are conducted through internet classes, which provide access for managers at different levels and entry-level staff to obtain professional learning resources at anytime

Greentown China’s Trainings on Quality



Environment Implementing Green and Living in Harmony





Zhoushan Orchid Garden

Environment: Implementing Green and Living in Harmony

2.1 Green Building

Green building has become a symbol of green and environmental-friendly transformation in the construction industry, and for real estate enterprises, their important responsibilities are assumed as to promote the popularization of green building and optimize green building technology. As an active explorer of green building, Greentown China takes “green” and “health” as its long-term development strategy and concept for green building and relies on energy-saving technology and green design to empower the green transformation of products and to achieve the co-development of building and the environment. We strictly comply with national laws and regulations and relevant industry regulations, and have formulated and implemented internal guidelines such as the “Green Building Implementation Manual”, the “Guidelines on Green Real Estate and Green and Healthy Building Design”, and the “Working Guidelines of Greentown China on Green and Healthy Residential Technology Standards”, to further standardize the implementation and management of green buildings throughout their life cycle and ensure their attainment of quality standards. As of the end of the Reporting Period, the particulars of the Green building certification obtained for projects under construction of Greentown China are as follows²:

Green Building Certification	Number of projects
Green 3-star building ³	3
Green 2-star building ³	30
Green 1-star building ³	79
International green building certification ⁴	5

- Rainwater recycling system: use the “sponge city” concept of rainwater management system to recycle and reuse water in community, e.g. water used for water views will firstly come from purified rainwater. Representative project: several communities in Zhoushan Changzhi Island Ruxin Town
- Green roof technology: make full use of the roof’s space and location for roof rainwater harvesting. Representative project: Quzhou Lixian Future Community



Zhoushan Changzhi Island Ruxin Town
Wutong Garden

Water
Consumption

- Adapt to local conditions and use water from nearby areas: the water requirements are optimized according to the natural ecology of the surrounding area, for example, by making full use of water from the surrounding lakes for lawn irrigation and maintenance. Representative project: Zhoushan Changzhi Island Ruxin Town
- Intelligent equipment: soil moisture sensing devices and small weather stations are installed in the irrigation lots of communities to achieve automatic adjustment of timing, remote and meteorology conditions and to reasonably control the amount of water used for irrigation. Representative project: Ningbo Young City



Zhoushan Changzhi Island Ruxin Town

Water-
saving

- Smart Water Meters: real-time transmission of water meter data can be achieved, thereby eliminating the time-consuming and labor-intensive manual meter reading, and detecting abnormalities in water quantity according to data in time to further rule out the existence of broken pipes and leaking valves. Representative project: Quzhou Lixian Future Community
- Integrated Energy Management System: optimize energy consumption based on data, and develop optimization plans through energy consumption analysis and comparison to achieve intelligent and efficient equipment operation and energy use management. Representative project: Quzhou Lixian Future Community




Quzhou Lixian Future Community’s sketch
map for energy consumption
management

Water
Management

² Green building certification includes only asset-heavy segment.
³ This certification is China Green Building Design Label.
⁴ Including LEED (Leadership in Energy & Environmental Design) and WELL.

In order to achieve the environmental-friendly effect of energy-saving, and to significantly reduce the impact on environment through the process of building products from design to operation, we strive to promote the efficient application of various natural resources, improve the efficiency of resource use and optimize the real-time management of resources. In respect of water resources, we aim to establish a positive water circulation system, fully utilizing the concept of the “sponge city” rainwater recycling system and setting up various water harvesting measures to meet applicable water needs. We take advantage of our natural geography to reduce unnecessary water consumption by adapting to local conditions and taking water locally, and we use technological intelligent equipment to achieve efficient water resources monitoring and management, which can improve the overall efficiency of water consumption management.

Low-energy consumption buildings are an important system for green buildings and a new building mode that Greentown China continues to explore. As we attach great importance to the environmental effectiveness of low-energy consumption buildings, we use energy-saving technologies in building envelopes, energy and equipment systems, lighting, intelligent control and renewable energy use to make such buildings achieve energy consumption levels that are far lower than those of conventional buildings.



Currently, Greentown China mostly uses polycrystalline silicon roofs as the medium for solar photovoltaic power generation. The clean electric energy obtained through solar energy will be used to supplement the electricity used for public lighting in the community, such as corridor, underground garage, etc. Representative project: Ningbo Young City


Photovoltaic Power Generation System



In the design of facade, Greentown China uses different materials and shapes of “leaves” to cool the building according to the style of the facade, effectively reducing the solar radiation into the interior and reducing the indoor air-conditioning cooling load in summer. Representative project: Quzhou Lixian Future Community.

Greentown China’s self-developed “GAI (极爱)” windows and doors promotes that come with a complete external shading system which is made of metal or woven fabric to create a shading system on the exterior of windows.

Shading and Cooling Design



Greentown China “opens” the roof through the design of “lighting roof” to introduce more natural light sources and reduce the energy consumption of artificial light sources. Representative project: the Exhibition Center of Suzhou Willow Breeze

Natural Lighting Structure



Smart lighting systems are used in public areas such as underground garages and corridors of neighbourhood centers to set reasonable scene patterns according to daily weather and vehicle and pedestrian flow, reducing “useless” lighting and achieving intelligent power saving. Representative project: Quzhou Lixian Future Community

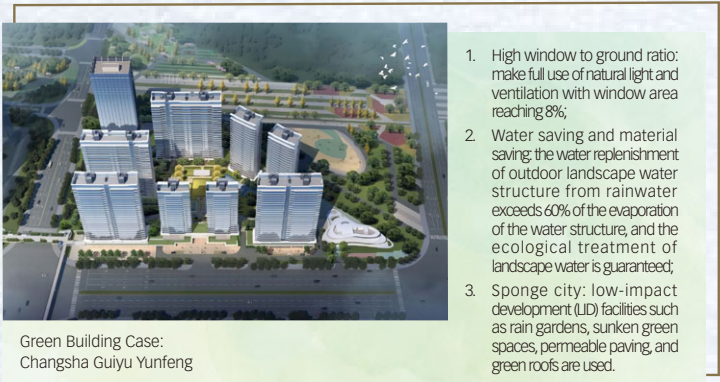
Smart Lighting System

Low Energy Consumption Building Technology Application of Greentown China

Prefabricated technology is an important construction process to help achieve green building. By directly assembling pre-produced building components on construction sites, it helps to greatly improve construction efficiency and quality, while avoiding dust and noise pollutions caused by traditional construction processes. Greentown China continuously optimizes the existing prefabricated technology and strives to increase the share of prefabricated buildings. With the help of prefabricated technology, it achieves the green building effects of low-emission, low-waste, and low-pollutions. Prefabricated concrete, steel and wood structures as well as prefabricated interior designs were widely applied in our projects, significantly reducing construction wastes. As of 31 December 2021, more than 70% of the projects under construction of Greentown China applied the prefabricated technology.



Each green building construction project of Greentown China is designed, constructed and operated strictly in accordance with various certification requirements and standards. On the premise of ensuring building quality and living environment, it maximizes the positive impact of green buildings on the environment and achieves safety, comfort and environmental friendliness.



2.2 Green Operation

Greentown China always pursues the concept of green and sustainable development, adheres to green operation, advocates energy conservation and consumption reduction. Greentown China undertakes the corporate responsibilities of environmental protection with practical actions, with a view to building a beautiful green and low-carbon homeland.

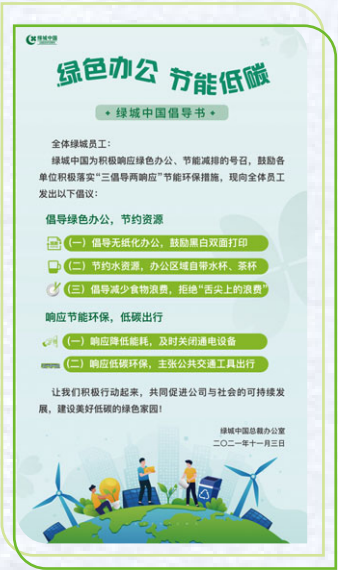
2.2.1 Environmental Management

Greentown China attaches great importance to its environmental management ability, formulates internal management policies and systems on the basis of abiding by laws and regulations, and implements environmental management by establishing an environmental management structure. We strictly comply with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Environmental Noise Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國環境噪聲污染防治法》), the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on Environmental Impact Assessment* (《中華人民共和國環境影響評價法》), the *Decisions of the State Council on Implementing the Scientific Outlook on Development and Strengthening Environmental Protection* (《國務院關於落實科學發展觀加強環境保護的決定》), *Regulations on the Administration of Construction Project Environmental Protection* (《建設項目環境保護管理條例》) and the *Administrative Measures for the Environmental Protection Inspection of Completed Construction Projects* (《建設項目竣工環境保護驗收管理辦法》). Besides, we formulated and issued a series of internal environmental management policies such as the *Notice on the Standardized Management of the Company* (《關於規範公司管理的通知》) and the *Notice on Strengthening the Management of Office Area* (《關於加強辦公區域管理的通知》), so as to strengthen internal environmental protection management. To ensure the efficient implementation of environmental management work, the Group has established a complete and effective environmental management structure, including the Board, the ESG Committee and the ESG working group.

In 2021, the Group has set five environmental objectives as the orientation of future environmental management. We will implement more efficient environmental management measures based on existing ones to improve work efficiency, strengthen work effect and help achieve environmental objectives.



While setting environmental objectives and implementing environmental protection measures, Greentown China also attaches importance to improving employees’ self-awareness of environmental protection and creating a corporate culture of green office. During the Reporting Period, we issued the proposal for “Green Office, Energy-saving and Low-carbon” to mobilize the employees’ enthusiasm and call on employees to start from subtle acts, and jointly build a beautiful and low-carbon green homeland.



Greentown China’s Proposal for “Green Office, Energy-saving and Low-carbon”

2.2.2 Resources Consumption

Greentown China cherishes the acquisition and use of various resources and actively practices resource conservation measures. We continue to deepen the concept of green office, strengthen the management and supervision of electricity and water resources in multiple dimensions, optimize energy efficiency, reduce unnecessary energy consumption, and achieve energy conservation and consumption reduction with practical actions.

Power saving measures

- Making full use of the natural light on sunny days, reducing the use of lights during daytime, and avoiding turning off the curtains and turning on the lights.
- Checking and ensuring that all power supplies are off before employees leaving office.
- Regularly cleaning bulbs, air conditioners and other electrical equipment to ensure their effective operation.
- Ensuring efficient use of air conditioners, such as turning off the air conditioners timely when no one is in the office.

Water conservation measures

- Recycling rainwater for irrigation and using water-saving irrigation equipment to irrigate green plants, such as sprays.
- Applying water-saving equipment such as inductive water faucet.
- Regularly checking toilets and washbasins for water leaks, so as to avoid waste of water resources.
- Posting water-saving slogans and sending water-saving tips by email and office OA system to promote and implement the concept of water-saving.

The Group’s resource consumption derives mainly from the use of various resources in the workplaces in the enterprise operation⁵. The specific use is as follows:

Name of indicators	Unit	2021
Total electricity consumption	kWh	48,347,455.22
Total petrol consumption	litre	526,435.74
Total diesel consumption	litre	7,946.17
Total consumption of liquefied petroleum gas	litre	51,199.68
Total natural gas consumption	litre	46,420.94
Total direct energy consumption ⁶	tonnes of standard coal	732.39
Total indirect energy consumption ⁶	tonnes of standard coal	5,941.90
Total comprehensive energy consumption	tonnes of standard coal	6,674.29
Comprehensive energy consumption density ⁷	tonnes of standard coal/sqm GFA	0.04
Total water consumption	tonnes	191,987.19
Total water consumption density ⁷	tonnes/sqm GFA	1.02
Total water conservation	tonnes	4,447.35

⁵ The data of various resources used excludes overseas projects due to force majeure factors such as COVID-19.

⁶ The energy consumption was converted into standard coal with reference to GB/T 2589-2020 General Principles of Comprehensive Energy Consumption Calculation.

⁷ The denominator used for calculating the density was the office area within which the business is directly controlled by Greentown China.

2.2.3 Emission Management

Adhering to the sustainable development concept of green operation, Greentown China attaches great importance to the environmental protection objectives of reducing emissions⁸ while vigorously advocating resource conservation. The Group strictly abides by the emission requirements and treatment standards of relevant laws and regulations, and strictly regulates the collection and treatment of hazardous and non-hazardous wastes to avoid secondary pollution to the environment. We strive to improve the use efficiency of various resources, advocate the concept of environmental protection to reduce waste, encourage employees to use office necessities economically, avoid waste of food resources and reduce the generation and emission of domestic waste and kitchen waste.



Measures to Reduce Waste in Greentown China

⁸ The emission data of various pollutants excludes overseas projects due to force majeure factors such as COVID-19.

Campaign on waste and emission reduction – the Most Beautiful Office

In 2021, “the Most Beautiful Office” campaign was held in Greentown China, promoting the environmental protection concept of green office to reduce waste by way of selection. The selection was carried out in four major categories, including tidying up the desks and cabinets, cleaning up the office area, self-examination of the security of the office area as well as the use of the office items. In terms of cleaning up the office area, we require the employees to classify the garbage, and to sort out the abandoned documents in time to complete the collection work. In terms of the use of office items, we advocate making the best use of them and saving office supplies. At the same time, we encourage employees to bring their own cups to reduce the consumption of bottled water and disposable cups.



During the Reporting Period, our pollutant emissions⁹ are as follows:

Name of indicators	Unit	2021
Air pollutant emission from vehicles – NO _x emission	kg	39.75
Air pollutant emission from vehicles – SO _x emission	kg	1.64
Air pollutant emission from vehicles – CO emission	kg	954.91
Air pollutant emission from vehicles – PM _{2.5} emission	kg	14.21
Air pollutant emission from vehicles – PM ₁₀ emission	kg	14.25
Air pollutant emission from vehicles – HC emission	kg	75.60
Total wastewater discharge	tonnes	153,589.75

⁹ The calculation of air pollutant emission from vehicles only includes the vehicles owned by the headquarters of Greentown China and excludes those owned by its subsidiaries and project companies. The calculation method refers to the Technical Guide for Air Pollutant Emission Inventory for On-road Vehicles (Trial Implementation) issued by the Ministry of Ecology and Environment of the People’s Republic of China.

During the Reporting Period, our hazardous waste production is as follows:

Name of indicators	Unit	2021
Fluorescent light tube	tonnes	0.93
Waste battery	tonnes	0.59
Ink cartridge	tonnes	0.63
Waste liquid after facilities maintenance	tonnes	0.32
Total hazardous waste produced	tonnes	2.47
Hazardous waste production intensity ⁷	tonnes/sqm GFA	0.000013

During the Reporting Period, our non-hazardous waste produced and recycled is as follows:

Name of indicators	Unit	2021
Paper recycling	tonnes	9.04
Metal recycling	tonnes	1.18
Plastic recycling	tonnes	0.38
Glass recycling	tonnes	0.17
Total non-hazardous waste recycling	tonnes	10.77
Paper usage	tonnes	274.03
Metal usage	tonnes	5.81
Plastic usage	tonnes	2.22
Glass usage	tonnes	3.99
Kitchen waste	tonnes	672.34
Construction waste	tonnes	93.65
Total non-hazardous waste produced	tonnes	1,052.04
Non-hazardous waste production intensity ⁷	tonnes/sqm GFA	0.0056

2.2.4 Response to the Climate Change

Greentown China takes climate change as an important direction of environmental management, and takes climate change risk management and control as a necessary ability of the enterprise. During the Reporting Period, in accordance with the guidelines and suggestions of TCFD (Task Force on Climate-Related Financial Disclosures), we identified the transition risks and physical risks parameters that will affect the Group based on the scenarios comparing two typical greenhouse gas concentration pathways (RCP2.6 and RCP8.5), and evaluated the extent of impact and responses to various risks, so as to gradually integrate climate change responses and business operation to support the future sustainable development of the Company.

We have listed five types of risks as major climate change risks of Greentown China in 2021, including technical risks – low emission technical requirements, policy and regulatory risks – changes in product regulatory requirements and standards, market risks – rising raw material costs, market risks – consumers’ preference for green products, acute risks – typhoons. We have taken corresponding measures to mitigate the impact of climate change on business and adapted to climate and environmental change. At the same time, we will regularly update the identification and importance ranking of major climate change risks according to the changes of internal and external environment, and constantly strengthen the Company’s ability to resist climate change.

Risk types		Risk parameters	Response measures
Transition risk	Policy and law	Increasing pricing of greenhouse gas emission	<ul style="list-style-type: none"> Take low-carbon, energy-saving and green into account in the product development stage, and evaluate whether the project has the conditions for the application of renewable energies or other ultra-low energy consumption technologies and low-carbon technologies; Incorporate the emission reduction requirements into the selection standards of suppliers and partners, and promote the enterprises on the green supply chain list to be shortlisted first.
		Strengthening emission reporting obligations and compliance requirements	<ul style="list-style-type: none"> Track and understand the disclosure standards of regulatory and investment institutions on carbon emissions, and standardize information disclosure in accordance with the guidelines of the Stock Exchange; Improve the existing data collection system and process of Greentown China, and formulate challenging and reasonable corporate carbon targets.
		Changing in product regulatory requirements and standards	<ul style="list-style-type: none"> Widely adopt measures to improve energy efficiency and reduce emissions in products, such as the use of renewable energies including photovoltaic and geothermal energy, ultra-low energy consumption structure and other technologies; Continuously update and improve the product standards and raw material procurement standards of the Company, refer to the national green building standards, form the “Green and Healthy Residential Product Technical Standard System”, and standardize design management and engineering construction; Actively obtain green building evaluation and continuously raise the proportion of prefabricated structure buildings; Timely understand and comply with relevant regulatory laws and regulations, and cooperate with the supply chain to jointly meet the regulatory requirements of products and raw materials.

Risk types		Risk parameters	Response measures
Transition risk	Technology	Low emission technical requirements	<ul style="list-style-type: none">• In the design concept of “Human and Nature”, the double carbon goal is taken into account to seek the balance between green environmental protection and living experience;• In the early stage of design, evaluate the possibility of adopting renewable energy or low-carbon technology, and carry out targeted design according to the evaluation results. For example, in Beijing Qinyuan, passive technology and cold and heat source system are used to achieve the effect of energy conservation and consumption reduction;• Continue to incorporate the concept of energy conservation and emission reduction into the process of product design and research and development;• Formulate energy conservation and emission reduction targets in line with the current situation of the Company and regularly monitor the completion;• Integrate supply chain resources, seek raw materials and suppliers of low emission products, and control the risk of increased upstream costs;• Timely understand the incentive policies of the government and capital market for low-carbon technology, and offset the cost of new product development accordingly;• Evaluate the feasibility of using low emission technology in the project to reduce the risks of investment failure and unstable effect.

Risk types		Risk parameters	Response measures
Transition risk	Market	Consumers' preference for green products	<ul style="list-style-type: none">• Explore the development and launch of green products and low-carbon products to cater for the needs of consumers;• Continue to publicly disclose the green and low-carbon attributes of products to establish a good impression for the market;• Adjust the transformation progress of green products to minimize market risks;• Continue to follow the government's support projects for green products to offset the risk of increased costs.
		Uncertain market signals	<ul style="list-style-type: none">• Timely understand and comply with relevant regulatory laws and regulations;• Take low-carbon into account in the process of product development and project management;• Continuously update and improve the enterprise's product standards and raw material procurement standards.
		Rising raw material costs	<ul style="list-style-type: none">• Establish strategic cooperation relationships through supply chain communication and resource integration to reduce procurement risk;• Evaluate the price sensitivity of materials and formulate procurement emergency plan;• Comprehensively analyze the price difference and trend of raw materials for green products to reduce the risk of cost increase.

Risk types		Risk parameters	Response measures
Transition risk	Reputation	Consumers' attention to corporate responsibility	<ul style="list-style-type: none">Continuously improve the disclosure related to sustainable development and climate change, and optimize the external communication channels of corporate social responsibility, such as publishing ESG-related contents to consumers through official WeChat, including public welfare activities and green building achievements;Take energy conservation and environmental protection as an important quality attribute of products, carry out relevant research and development, design and implementation promotion, and strengthen the value interpretation and publicity.
		Stakeholders' increasing concern about negative feedbacks	<ul style="list-style-type: none">Put more focus on disclosure requirements related to sustainable development and climate change to ensure compliance;Incorporate the reduction of environmental impact and climate change risk into the formulation of enterprise strategies and measures;Continue to follow and participate in international and domestic green certification and initiatives with high market recognition or strong applicability to improve the competitiveness in the industry;Continue to follow and improve the capital market rating results.

Risk types	Risk parameters	Response measures
Physical risk	Acute risk Typhoon, flood, extreme heat	<ul style="list-style-type: none">• Implement shelter and protection facilities to deal with extreme precipitation, such as the rainy corridor, extended entrance and exit canopy, so as to protect infrastructure and the safety of owners;• By setting the difference between indoor and outdoor floor heights and strengthening the drainage trench and other engineering practices, equip the building with flood control function;• Comprehensively assess the potential risks of the project affected by extreme weather events, formulate emergency plans for extreme weather (strong typhoon, rainstorm and flood, ice, rain and snow, etc.), issue work notices to deal with extreme weather, and make emergency preparations;• Pay close attention to the warning of high temperature, formulate heatstroke prevention plan, implement heatstroke prevention measures, reasonably adjust operation time, and distribute cooling goods and drugs;• Project the safety stock, keep communication with suppliers, and prepare the response plan for the risk of supply chain interruption in advance.
	Chronic risk Extreme fluctuations in rainfall changes and weather patterns, rise in average temperature and rise in sea level	<ul style="list-style-type: none">• By consulting the regional hydrogeological data and the measured water level data, and considering the relevant risks into the product design parameters, reduce the risks related to extreme rainfall and flood, such as the rain corridor, the extended entrance and exit canopy, the reasonable indoor and outdoor floor height difference and the reinforced drainage ditch;• Formulate emergency plans for extreme weather (strong typhoon, rainstorm and flood, ice, rain and snow, etc.), issue work notices to deal with extreme weather, make emergency preparations and ensure the safety of employees;• Improve the operation management process and ensure the provision of necessary back-up systems, such as back-up power system;• Continue to follow the chronic risks caused by the climate change trend where the operation is located and future regional planning, and take them into account in properties development;• Suppliers' ability to cope with and manage climate change-related risks will be taken into account to improve the ability of the supply chain to resist climate change risks.

The Group pays special attention to the impact of extreme climate on all parties. In the process of product building, we always consider climate response measures as a key element in the management and control of design and construction. At the early stage of the design of Greentown China's landing projects, we will assess the regional climate characteristics of the area where the project is located to adjust the specific design content, so that the products can have a strong landing and risk resistance.

Waterproof and flood control

- Greentown China fully considers the comprehensive conditions of rain, water and river courses around the projects, reasonably sets the standard horizontal height of basement in communities and the height difference between indoor and outdoor floors, so as to avoid safety problems such as rain and sewage backflow.
- Add forced drainage measures in some projects, close the rainwater pipes in the park and forcibly discharge the rainwater into the river when the water level of the peripheral river is higher than the municipal rainwater pipe network.
- In the basement design, the highest anti floating design water level issued by the professional geological survey company shall be obtained in advance, calculated in accordance with the Technical Standards for Anti Floating of Building Engineering and other relevant specifications, and safe and reliable anti floating measures shall be adopted to ensure the anti floating safety of the basement under extreme conditions.

Extremely hot and cold

- In some projects, high-performance and nontransparent enclosure structure, high insulation doors and windows and non-thermal bridge designs are set to comprehensively improve the high insulation performance of the buildings and strengthen the buildings' ability to deal with severe cold weather.

Strong breeze weather

- High level of air tightness waterproof doors and windows are set, and waterproof and vapor permeable membrane is pasted on the outside, which has high strength and good durability, and strengthens the buildings' ability to deal with strong breeze weather.

Greentown China is committed to realizing low-carbon and green operation, alleviating the trend of global warming by reducing carbon emissions, and then slowing down all kinds of climate change induced by global warming. In terms of official vehicles, the Group updated some regulations in the *Vehicle Management Standards* (《車輛管理標準》) during the Reporting Period, stipulating that under non-special circumstances, vehicles will not be dispatched under the condition that public transport can reach, and green travel is advocated. At the same time, we optimized and adjusted the Group’s vehicles and disposed of seven idle official vehicles to reduce the carbon emission generated by vehicles. We strongly advocate new energy vehicles and publish preferential car purchase information in the office OA system from time to time to encourage employees to use new energy vehicles by connecting with major new energy vehicle manufacturers and sellers.

During the Reporting Period, our greenhouse gas emissions¹⁰ are as follows:

Name of indicators	Unit	2021
Greenhouse gas emission – scope 1 ¹¹	Tonnes CO ₂ equivalent	1,459.79
Greenhouse gas emission – scope 2 ¹²	Tonnes CO ₂ equivalent	32,136.42
Total greenhouse gas emissions	Tonnes CO₂ equivalent	33,596.21
Greenhouse gas emission density ⁷	Tonnes CO ₂ equivalent/sqm GFA	0.18

¹⁰ Greenhouse gas emissions is calculated with reference to the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from (Industrial and Other Industries Enterprises (Trial)* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》). Greenhouse gas emissions data excludes overseas project due to force majeure factors such as COVID-19.

¹¹ The main sources of greenhouse gas emission (scope 1) are gasoline and diesel from vehicles and natural gas from canteens.

¹² The main source of greenhouse gas emission (scope 2) is the greenhouse gas emissions generated by purchased electricity.



Deqing Guanyun Town



Social People-Centric with Collaborative Efforts

Social: People-Centric with Collaborative Efforts

3.1 Caring Our Staff

Greentown China is well aware that high-quality workforce is the cornerstone for the sound development of an enterprise. For scientific development, talents must be placed first. In the development and growth process of Greentown China, we insist on building a talent team according to our own business development needs and continue to improve the management and professional level of staff, in order to increase the Company’s competitiveness in the industry in terms of operation and management capabilities by promoting fair and equitable employment, protecting the rights and interests of employees, taking scientific appraisal and incentive measures, providing competitive remuneration and employee benefits, building a full-cycle talent training system, and creating a multi-channel communication mechanism.

3.1.1 Staff Employment

The Group adheres to the hiring concept of “people are Greentown’s most valuable asset”, strives to extensively absorb high-calibre talents from all walks of life, continues to broaden recruitment channels, and is committed to building a diverse and inclusive talent team. We fully respect and protect the human rights of our employees, insist on legal employment and management, and establish a compliance labor relationship based on full negotiation.

Recruitment Management

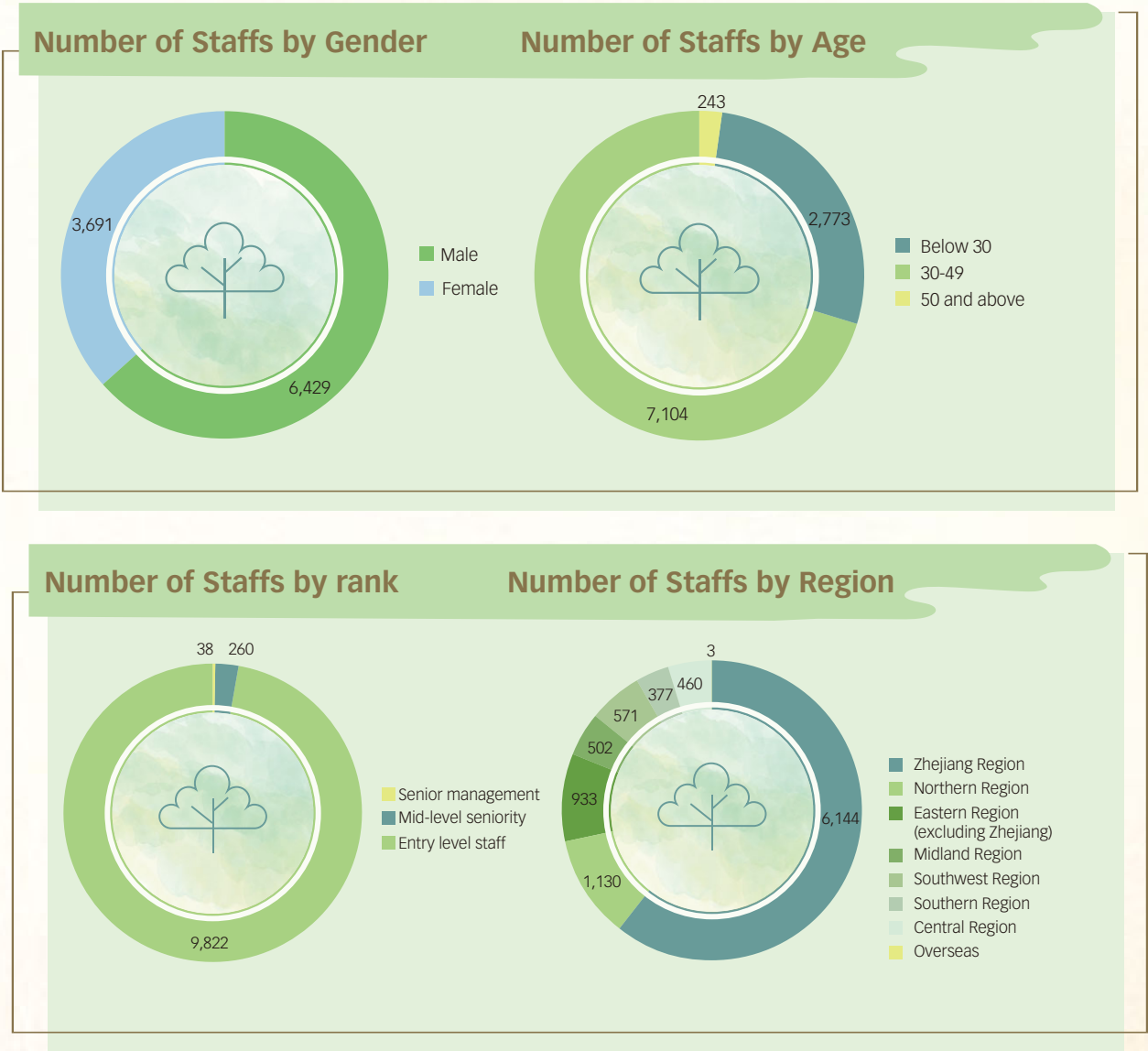
Greentown China abides by the *Labor Law of the People’s Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People’s Republic of China* (《中華人民共和國勞動合同法》) and other laws and regulations, and has established systems such as *Standard on Recruitment Management* (《招聘管理標準》), the *Organization Management Manual* (《組織管理手冊》) and the *Rules for Employee Separation Management* (《員工離職管理細則》) to continuously standardize the employee recruitment and management process, attract, recruit and retain talents who meet the Company’s requirements, and promote the healthy development of the Company.

During the Reporting Period, Greentown China focused on implementing the 2021 campus recruitment project and innovating the form of recruitment. On one hand, it held on-campus career talks in colleges; on the other hand, it invited teachers and students from colleges to attend the seminars and experience tours organized by Greentown China, so as to further explore new modes of school-enterprise cooperation, and improve its talent structure and talent pool. As of the end of the Reporting Period, master’s and doctoral students accounted for 47% of new graduates to be hired, representing 18% of the total number of employees recruited throughout the year.



Highlights of Greentown China 2022 Campus Recruitment Project

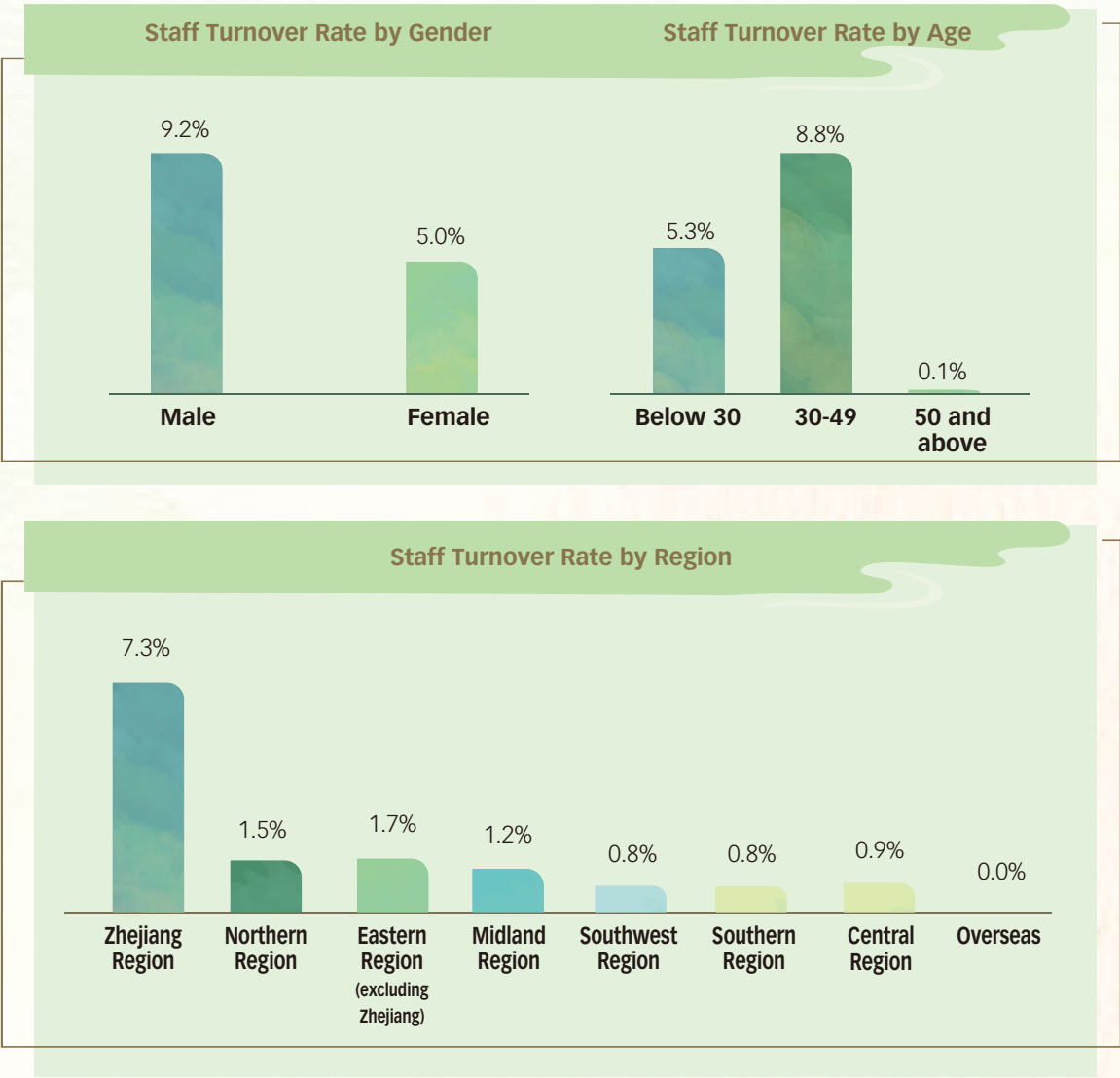
As of 31 December 2021, the total number of staff of the Group was 10,120, the specific division is as follows:



Labor Rights

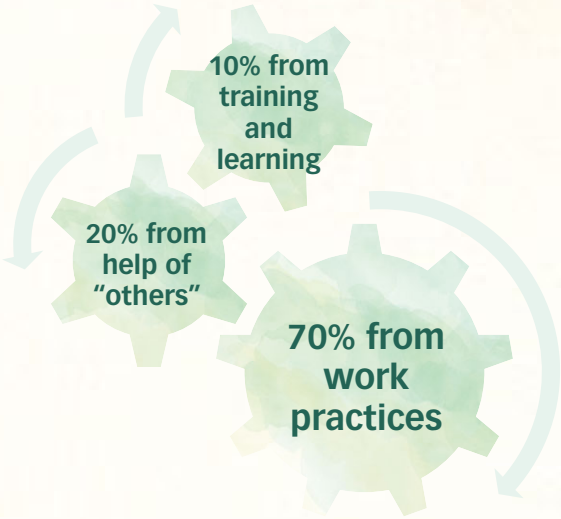
In order to safeguard the legitimate rights and interests of employees and build harmonious labor relations, we have signed the Collective Contract in accordance with the laws and regulations and relevant provisions, such as the *Law of the People’s Republic of China on Trade Unions* (《中華人民共和國工會法》), the *Regulations of Zhejiang Province on Collective Contracts* (《浙江省集體合同條例》) and the *Provisions on Collective Contracts* (《集體合同規定》), after arm’s length negotiation with the Greentown China Labor Union, and the Collective Contract has been filed with the Human Resources and Social Security Bureau of Hangzhou West Lake District. The Collective Contract clearly stipulates that the Company protects the legal rights and interests of departing employees in accordance with the law and is subject to the supervision of the Greentown China Labor Union. At the same time, we strictly prohibit the recruitment of child labor, prohibit forced labor and eliminate employee discrimination, and are committed to safeguarding the rights and interests of every employee through a fair and transparent talent hiring and management model.

During the Reporting Period, the Group’s staff turnover rate was as follows.



3.1.2 Talent Development

It is the corporate positioning of Greentown China to create “a public platform for all members to discover, improve and realize their self-worth”. We insist on practicing the management philosophy of “converting the enterprise to a school and driving employees and the enterprise to grow together”. During the Reporting Period, we continued to perfect the management and training system of “selection, training, employment, retention and dismissal” of talents, upgrade the training platform and training programs, enhance the professional and management levels of employees at all levels, and provide channels and opportunities for them to realize their personal values.



We adopt the "70-20-10" training concept and combine classroom learning with practical work in a business-oriented and training and practice integration approach.

In the workplace, 70% of an employee's growth comes from work practices, including work experience, work tasks and problem solving. Effective development methods include on-the-job training, job transfers, work assignments, participation in short-term work projects, and internal and social activities.

20% of personal development comes from the help of "others", namely coaches or mentors in terms of training methods.

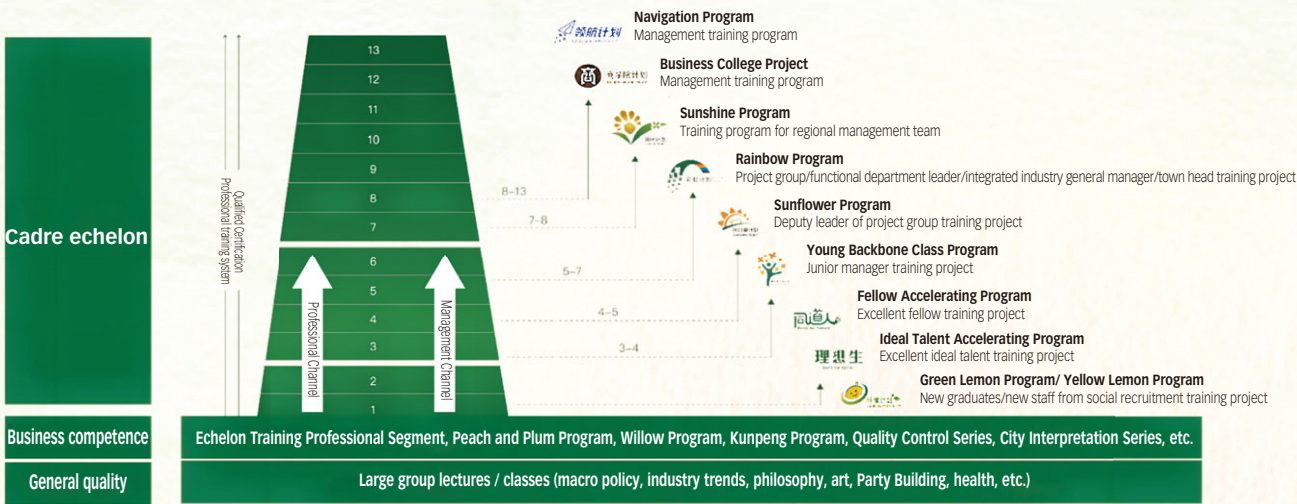
10% comes from training and learning, but such 10% is also the key to pulling talent forward. Therefore, the Company has always placed great importance to and continued to develop training systems and training forms.

Greentown China's "70-20-10" Talent Development Principle

Training System

During the Reporting Period, Greentown China actively improved its internal staff training system, carried out echelon development programs and optimized its qualified certification system, thereby providing all-round training support for employees at different career development stages, enriching their professional knowledge and helping them upgrade their work skills.

Specifically, in terms of training system, based on the accumulation and precipitation of more than 20 years of talent training, and through the three-year systematic construction of Greentown University, Greentown China has basically formed a training system that covers the whole career life cycle of its employees, setting up training programs that extend to all levels of staff from the “Green lemon Program” for new graduates to the “Navigation Program” for management training. During the Reporting Period, professional lawyers were invited to give an interpretation and a training to all Directors, senior management and relevant professionals on the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange.



Greentown China Training System

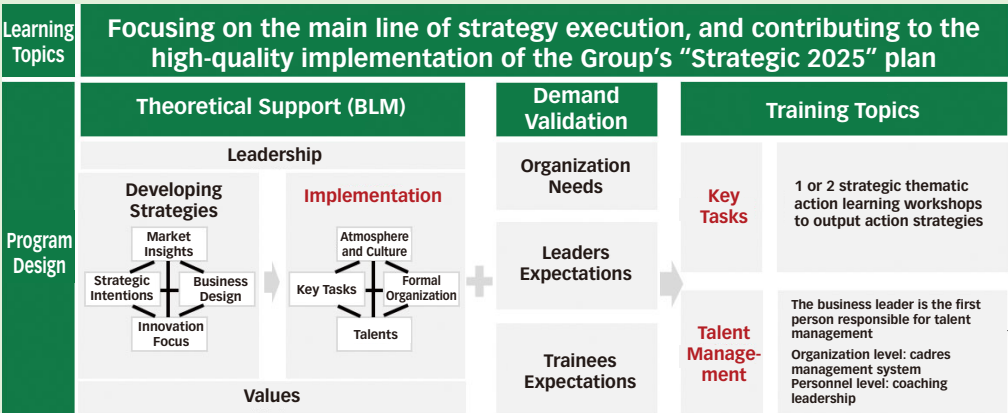
Navigation Program

2021 is the first year of the Group’s “Strategic 2025” plan. In order to ensure the implementation of high-quality strategies, Greentown University organized the “Navigation Program”, a learning program to enhance the leadership ability of core cadres and the ability to execute organizational strategies. The Executive President of Greentown China and Executive Vice President of Greentown University personally acted as the class director and participated in the whole process of the program.



Navigation Program Training Site

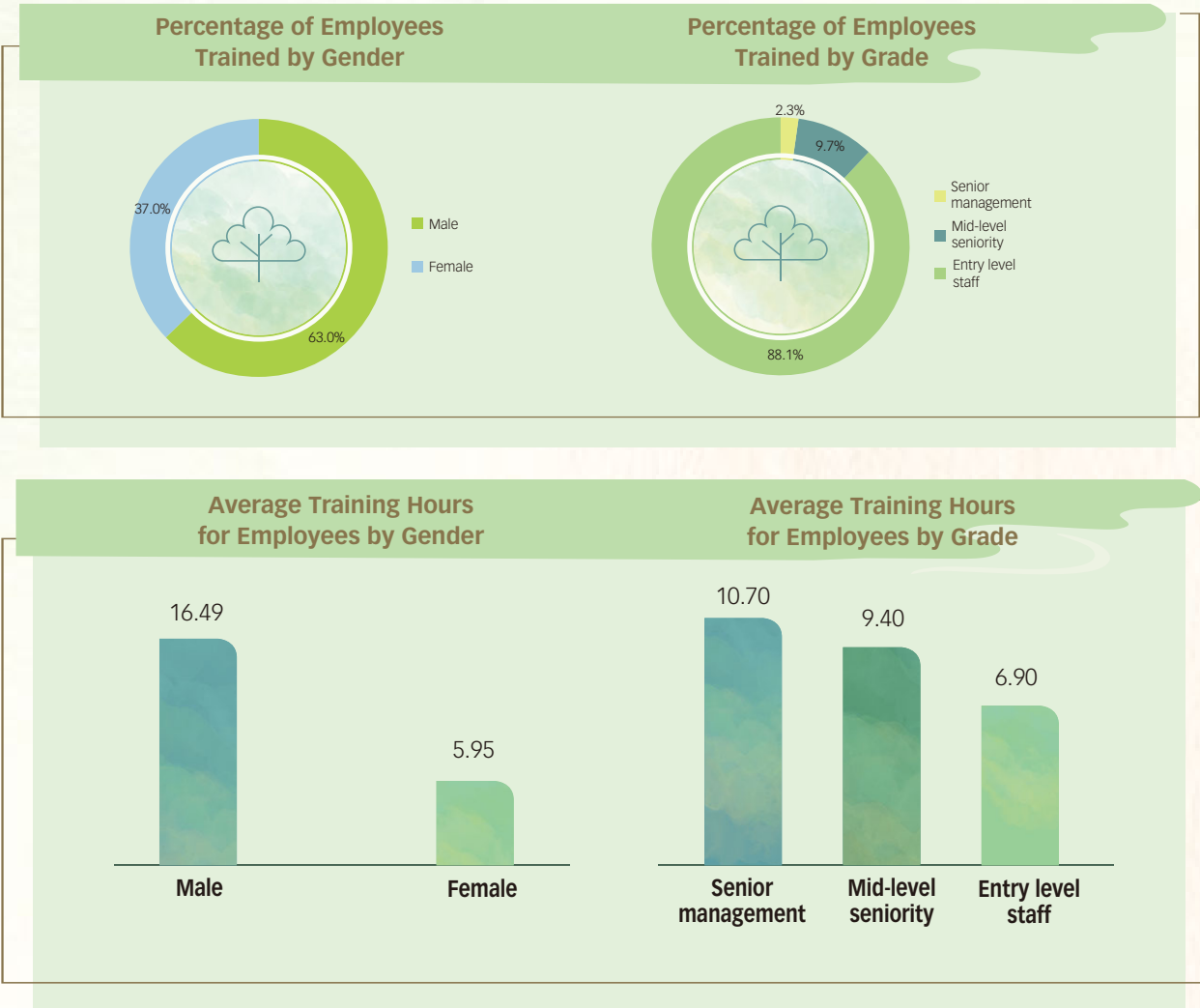
Based on the theory of BLM (Business Leadership Model), the Navigation Program focused on two modules of talent management and key tasks implementation in training. Through theoretical lectures by great experts, external benchmarking visits and exchanges, discussions and exchanges with the Chairman of the Board of Directors, and action learning seminars, Greentown China has effectively enhanced the leadership of its cadres while exporting the overall plans and key initiatives of the three strategic themes of commercial, towns and healthcare, and combined theory and practice to effectively help the Group to implement the “Strategic 2025” plan.



In terms of echelon building, we carry out training and practice-based teaching for echelon talents to help employees solve business problems while achieving skills enhancement in an innovative training form that is more practical in process and more effective in results. Based on the echelon talent training programs, we help employees enhance their abilities for the future development needs of the Company and realize the internal supply of talents for vacant positions to protect the future development of the Company.

On the basis of the training system, in order to further clarify the growth path of employees and refine the annual learning plan and direction of each employee, Greentown China has also established a qualified certification system. During the Reporting Period, we optimized the qualified certification system, and established clearer and measurable qualified certification standards by segregating management and professional positions, and clarified certification requirements for different positions and levels. With qualified certification as a guide, employees can carry out self-learning based on the knowledge map to achieve higher-level job certification and enter the talent reserve pool. Since 2003, Greentown China’s qualified certification has basically achieved full coverage of staff in management positions and professional positions, with an average certification rate of 93%.

During the Reporting Period, we provided various trainings to employees at different levels, with the specific breakdown of training received being as follows:

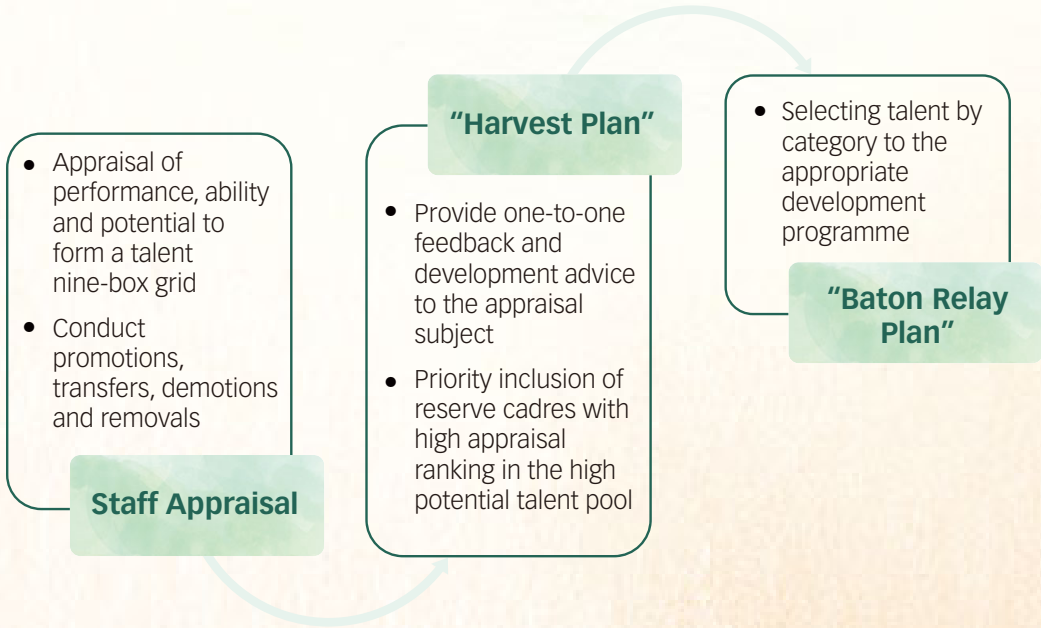


Staff Promotion

We attach great importance to the internal growth and promotion of talents and provide employees with multi-channel career development opportunities through three channels, namely operation management, functional management and professional management. The three-dimensional channel of horizontal development and vertical promotion provides employees with a multi-dimensional development path and room for continuous growth. During the Reporting Period, we released a new job system policy, setting up employee job sequences according to organizational classifications and building a more scientific and reasonable job system to provide employees with broader career development channels, which is conducive to strengthening employees’ initiative and motivation.



In terms of staff appraisal, the Group conducted an appraisal and calibration of all employees during the Reporting Period. The appraisal, which covered nearly 100% of our staff, assessed personnel in terms of performance, capability and potential, forming a talent nine-box grid, thus providing a reference for staff grade changes and helping different types of employees to formulate tailored development plans.



The Employee Performance Appraisal and Development Mechanism of Greentown China

3.1.3 Employee Care

We provide our employees with a wide range of competitive remuneration mechanisms and implement a “win-win” talent incentive scheme. We provide a wide range of additional benefits to our employees, including various allowances and supplementary commercial insurance, and are committed to creating a warm and humane working atmosphere for our employees. We also pay attention to the spiritual motivation of employees, so that employees with contribution, ability and ambition can realize their value and gain respect in their positions. Greentown China attaches particular importance to the welfare of its employees and their families, providing them with various forms of care such as health benefits, educational activities and exchange meetings.

Salary and Benefits

Greentown China has built a scientific and reasonable remuneration and benefits system, which is composed of fixed remuneration, floating compensation, allowances and benefits and others. It also conducts annual market salary benchmarking in conjunction with the Company’s operation to continuously provide employees with salaries and benefits that are competitive in the market.

In addition, we attach great importance to employee benefits. On top of the social security benefits provided by the state and the city where the Company is located, we also provide employees with a variety of additional benefits, such as holiday allowance (Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, Labor Day etc.), health check-up (for both employees and their family members), supplementary medical insurance (for both employees and their family members) and others.

In order to meet the individual needs of employees for welfare products, Greentown China has launched a new welfare distribution solution – “Guanaitong” welfare platform. Through massive welfare consumption channels, it has realized a fully upgraded purchasing experience for birthday welfare, holiday welfare, event prizes, meal subsidies, etc., to meet the personalized choices of employees.

Honor Motivation

Greentown China always attaches great importance to culture heritage and encourages employees to become practitioners of Greentown culture. Since 2018, the selection of “Person of the Year Touching Greentown (感動綠城年度人物)” has been held annually to award this top honor of the Company to employees who proactively practice the core values of Greentown and make great contribution. We see quality as our life, encourage staff to pursue product-oriented concept, integrate the spirit of craftsman into the blood of Greentown’s employees, therefore we set up the “Medal of Laurel (桂月獎章)” since 2021, aiming to motivate employees who build the first-class products. We insist on making progress together with employees, and set up the “Ideal Peer Award” to create a unique “Greentown memory” for employees with various working years in Greentown China. We appreciate the value creation of each employee, award “Award for Six Qualities”, “Golden Lecturer”, “Warm-hearted Manager”, “the Shining Star” and other awards to employees with excellent performance and good conduct to enhance their sense of belonging, sense of honor and sense of mission, gather their passion for struggle and create greater value.

Caring Events

Greentown China pays great attention to employees and their families, and actively carries out activities such as caring for family members’ injuries, illnesses and deaths. During the Reporting Period, the Group continued to carry out relief activities under the “Family Fund” (家人基金) to provide assistance to the families of employees who suffered from illness and disasters. Since the establishment of the “Family Fund”, it has assisted 26 groups of employees’ families and allocated relief funds of more than RMB1,843,600 in order to meet the urgent needs of employees’ families and express the Company’s humanistic care for employees.

Various Activities for Employees' Families

In order to create a harmonious and warm corporate working atmosphere, enhance the interaction and communication between employees and their families, and encourage work and life balance, Greentown China organizes various “Family Day” (家庭日) activities for employees and their families every year, including “June 1st Children’s Day” parent-child activities, symposium for families of expatriate employees, Open Day for Family Members, project visits, etc., to further strengthen family members’ understanding of Greentown China and its employees and appreciate of the support and dedication by them. During the Reporting Period, we continued to provide employees’ children with the “Dolphin Program” (海豚計劃) in the summer vacation in the communities of Greentown China which covered the basic class fees for employees’ children. In 2021, more than 500 employees’ children have signed up for the activity.



Greentown China Family Day Activity Sites

Various Vocational Skills Trainings

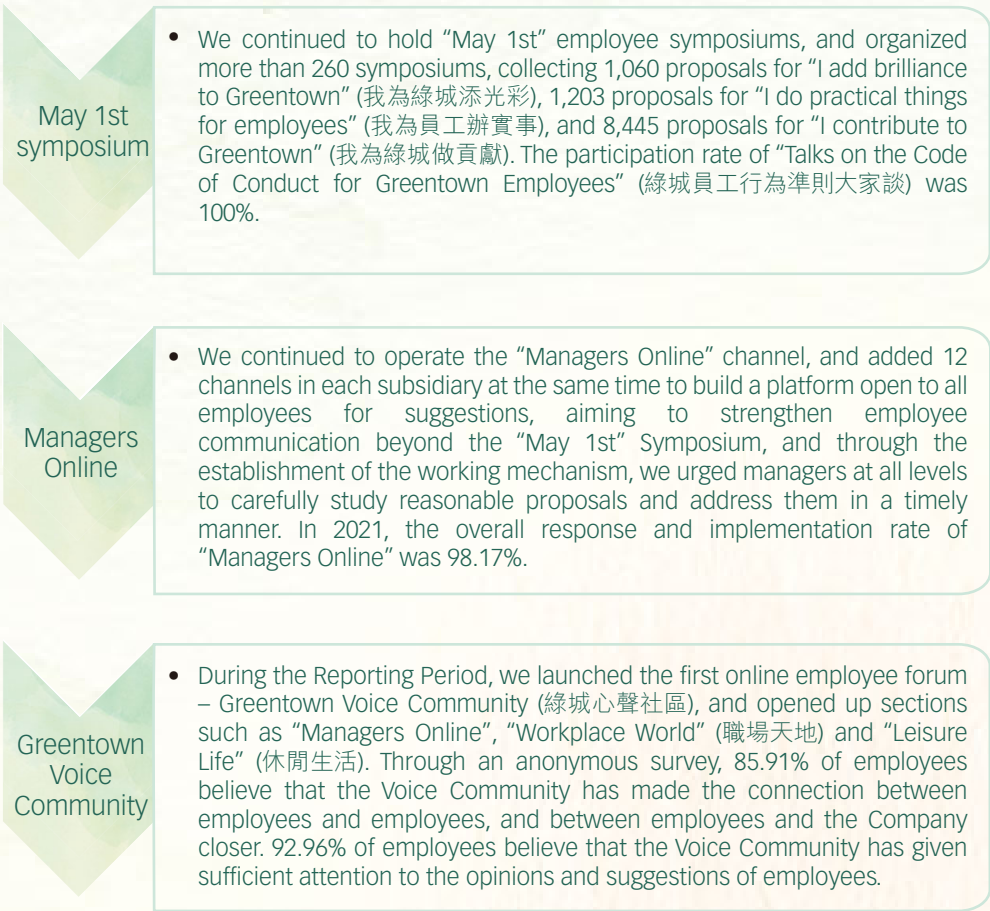
Greentown China provides various vocational skills trainings for employees, and has successively opened 10 “Greentown Special Classes” (綠城專班), which are attended by more than 360 Greentown China employees in Hangzhou, of which about 300 have obtained vocational skills certificates in tea art, flower art, baking, auto repair, electrician, beauty care, early childhood education and baby care and life rescuer, etc.



Greentown China’s Cooking Class

Communication with Employees

The Group respects and actively listens to the ideas of its employees, encourages them to give play to the sense of ownership and jointly promote the long-term development of the Company. During the Reporting Period, Greentown China continued to hold the “May 1st” symposium (「五一」座談會), set up the “Managers Online” platform (「管理者在線」平台) and online employee forums, and urged managers to listen to employees’ voices and carefully study and handle reasonable suggestions. In 2021, the total score of annual organization engagement survey on Greentown China was 87.1%, achieving a leading position in the industry.



3.1.4 Health and Safety

The Group attaches great importance to the health and safety of its employees and is committed to creating a safe and secure working environment for its employees. While complying with relevant laws such as the *Fire Prevention Law of the People's Republic of China* (《中華人民共和國消防法》) and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), we have formulated a series of measures and management initiatives to ensure the health and safety in offices and during construction. During the Reporting Period, Greentown China established an ESG Committee at the board level and an ESG working group, which are responsible for setting health and safety goals and supervising the implementation of various action plans and policies to ensure the effective management of employee health and safety from an organizational perspective. In the past three years, the Group had no fatalities due to work-related injuries. During the Reporting Period, the Group had no work-related injuries, and the number of working days lost due to work-related injuries was zero.

Employee Safety

According to the *Guidelines of Greentown China on Employee Care* (《綠城中國員工關愛工作指引》), we organize employee health checkups every year, and provide services such as the explanation of checkup reports and the publication of white papers on checkup status. At the same time, we also provide daily health management for employees, provide employees with health care services through professional institutions, and carry out a full range of health services such as health consultation, traditional Chinese medicine health care, VIP registration, hospitalization arrangements, and drug delivery.

During the Reporting Period, Greentown China actively launched fitness clubs and a new “Sunshine Heart” plan (「陽光心」計劃) to provide employees with mental health screening services to help them better understand their own mental health status and learn about appropriate coping methods. On this basis, the “Sunshine Heart” plan has provided employee care services through multiple means such as hotline service, psychological science popularization, community services, healing activities, and crisis intervention, so as to promote employees’ attention to their own mental health.

Construction Safety

The Group has always attached great importance to the safety management during the construction of projects. It has formulated *Greentown China Japanese-styled Management Guide Book (Safety and Civilization)* (《綠城中國日式管理指導圖冊(安全文明篇)》) and other safety production specifications, and adopted various safety inspection measures to ensure the safety of project construction. In response to possible emergencies such as extreme weather and the COVID-19, we have established a rapid response emergency policy, and issued the *Safety Emergency Plan* (《安全應急預案》), the *Notice on Further Improving the Prevention and Control of the COVID-19* (《關於進一步做好當前新冠肺炎疫情防控工作的通知》), the *Emphasis Notice on Further Improving the Prevention of Typhoon and Flood* (《關於進一步做好防颱防汛工作的強調通知》), and the *Notice on Strengthening the Response to Cold and Freezing in Winter* (《關於加強冬季防寒防凍應對工作的通知》) and other documents.

We have formulated safety inspection requirements at different levels including the group, region and project levels. At the group level, we conduct unscheduled and unannounced inspections and third-party inspections of all projects under construction. We require timely notification and rectification of projects with major security risks. At the region level, we carry out inspections of project groups and projects. At the project level, according to the requirements of the *Implementation Standards for Japanese-styled Engineering Management*, project companies will regularly conduct safety education and safety self-inspection work, inform and remind the hidden dangers of operation through daily morning meetings, dispatch safety personnel to construction sites every day, and conduct safety inspections with Party A, supervisors and construction units every Wednesday.

In order to strengthen the safety management of construction sites, Greentown China regularly conducts a series of safety construction learning activities in each project, including safety Q&A, safety and civilized construction observation activities and safety drills. The scope of training covers all engineering and construction personnel of the project.



Safety Q&A and Credit Exchange Supermarket



Rescue Drill



Safety Production Site Observation Meeting for Hangzhou Projects

3.2 Caring Our Society

Since its inception, Greentown China has always adhered to humanity ideal, actively fulfilled its social responsibilities to promote the positive development of society and industry. We actively participate in government social housing construction, create a rural revitalization model with Greentown’s characteristics and several town projects featuring cultural, tourism and healthy living elements, and conduct “micro renewal” comprehensive renovation projects through facade repair, landscape improvement, functional improvement and other engineering repair. In addition, as one of the leaders in the real estate industry, we actively cooperate and exchange ideas with peers and partners in and outside the industry, share development experience, lead the future development trend of the industry to promote common development.

3.2.1 Social Housing Construction

Resettlement is the most basic need of people’s life. As a part of urban construction, we regard the realization of people’s resettlement as the most beautiful urban construction. Greentown China actively participates in the construction of social housing and the urban renewal process, solves difficulties in the construction of local government projects by means of project management services, becoming the integrator of high-quality resources, the creator of a better life and the spreader of urban civilization and contributing to common prosperity. As of 31 December 2021, the number of cumulative government-entrusted projects under project management of Greentown Management Holdings Company Limited, a subsidiary of Greentown China, reached 233, with a total contracted GFA of over 34.43 million square meters and a cumulative delivery area of over 31.5 million square meters, improving the living environment of nearly 200,000 local households.

Greentown China Sets a “Sample” for Constructing Resettlement Housing

Wucun Xinyuan project in Lishui city is located in Liancheng Street, Lishui city, with a total GFA of 93,613.68 square meters. Greentown China has brought more possibilities of a better life to resettlement housing residents by providing well-equipped community facilities and designing rich and diverse community landscapes. The project also won the first place in a third-party comprehensive quality assessment with its excellent product quality, becoming a management benchmark project of Greentown China and was awarded the title of “Excellent Demonstration Site”. Meanwhile, Greentown China implemented the “sample first” model to comprehensively improve the quality of resettlement housing construction during the construction of Wucun Xinyuan project in Lishui city, which was recognized by the government, residents and the media, and formed replicable experience in resettlement housing project construction.



Wucun Xinyuan Project in Lishui City

3.2.2 Rural Revitalization

Rural revitalization is an important national strategy. As a practitioner of the integrated service provider for an ideal life, Greentown Town Group ("Greentown Town"), Greentown China's subsidiary, has been devoting itself to building towns for years, integrating multiple industrial resources inside and outside the system to assist the national rural revitalization strategy and empower rural revitalization. During the Reporting Period, Greentown Town was awarded multiple honors such as "2021 Chinese Real Estate Benchmark Brand Enterprise For Rural Revitalization (2021中國房地產鄉村振興標杆品牌企業)" and "Chinese Featured Town Operators With Brand Influence TOP1 (中國特色小鎮運營商品牌影響力TOP1)".

As a developer of beautiful towns, Greentown Town already started its attempt to build towns in 2003 and therefore has rich experience in the development of industrial towns. Through years of practice, Greentown Town has gained a deeper understanding of the concept of town building and industrial operation. Greentown Town is centralized on industrial operations and based on life services to build a town platform integrating production, life and ecology. As of 31 December 2021, Greentown Town covered a total of 22 cities, with 28 projects under operation or under construction and 12.63 million square meters of total planned GFA secured. Leveraging its strong industrial operation capacity and high-quality industrial town projects, Greentown Town maintained a leading position in the industry.

Compared with other town operators in China, Greentown Town not only owns excellent planning teams at home and abroad and has created various excellent model town projects, but also has strong industrial operation capacity. Leveraging the strong brand advantages of Greentown China, Greentown Town integrates internal and external high-quality industrial resources, empowering the industrial operation and innovation of the town projects in key fields of health care, living care, education, cultural tourism, science and technology innovation, cultural innovation, agriculture and the like so as to achieve the coordinated development of diversified industries. Through years of practice and development, it deepened the industry, created a rural revitalization model with Greentown's characteristics, and created several town models featuring cultural, tourism and healthy living elements.

3.2.3 Micro Urban Renewal

Urban renewal is a comprehensive proposition bestowed by our times on land, architecture, assets and life. Renewal pattern shifted from traditional demolition and reconstruction in the early days to human-oriented ecological and organic renewal nowadays.

Greentown Housing 4S Company (“Greentown Housing 4S”), Greentown China’s subsidiary, actively participates in urban redevelopment upholding its reverence and love for every city and every piece of land. Through facade repair, landscape improvement, functional improvement and other engineering repair, we strive to awaken the lost value of community life, promote the city to develop in a healthier, more ecological and organic way. As of 31 December 2021, Greentown Housing 4S involved in micro urban renewal of approximately 1.5 million square meters in total. During the Reporting Period, Greentown Housing 4S won the award of “Best Micro Renewal Organization (最佳微更新機構)” in the “2021 The Paper Urban Renewal Conference (2021澎湃城市更新大會)” by virtue of its deep cultivation practice in the field of micro urban renewal.

Micro Renewal of Hangzhou Nanban Lane Community

Nanban Lane is one of the old communities located in the core urban area of Hangzhou. Its first building was built in 1958 and has been built for more than 60 years. As a community with long history, in addition to the hardware space that needs to be upgraded, the more important transformation core is the humanized care of the elderly’s life and the repair and reconstruction of neighborhood relations.

The “micro renewal” comprehensive renovation project of Nanban Lane demonstrates an important step for Greentown Housing 4S from exploration to practice. Greentown Housing 4S’s devotion in the construction and decoration through a three-month renovation, from façade to landscape, from parking lot to neighborhood parks, radiated the vitality of Nanban Lane once again. Distant and cold neighborhood relationships in previous times changed and became a beautiful scenery in the community. The project was awarded “Model Case of Urban Redevelopment and Existing Building Renovation of China in 2021 (2021年度中國城市更新和既有建築改造優秀案例)”.



On-site Shot of Hangzhou Nanban Lane Community after Renovation

3.2.4 Industry Cooperation

To become an “integrated service provider for an ideal life” is the vision that encourages Greentown China to forge ahead and achieve development continuously. Facing the rapidly changing market and industry, as well as emerging consumer demands and life concepts, Greentown China actively engages in exchanges and cooperation with stakeholders such as peers, governments and suppliers to lead the development direction of the industry.

In terms of government cooperation, Greentown China has actively opened up new channels for “government-enterprise-institutes-academies” cooperation, and continuously deepened the cooperation with government authorities and scientific research academies. Within the context of promoting common prosperity, Greentown China has devoted itself to the government-subsidized housing plan to help promote the branding of “Living in Zhejiang” (浙裏安居).

In recent years, the construction of smart cities has been accelerating, and smart communities have become an emerging hot topic in the real estate industry. As a leading provider of quality real estate products and integrated living service provider in China, Greentown China has taken the lead in exploring the “future community” with digitization, networking and intelligence as the core. Therefore, we entered into a strategic cooperation with Huawei to build a digital platform for smart communities with Huawei Cloud as big data foundation, and explored the successful future community model of “Ruxin Town” (如心小鎮), providing peers with a “ top-level design of future community”, “future community governance”, “future service” and other model references.

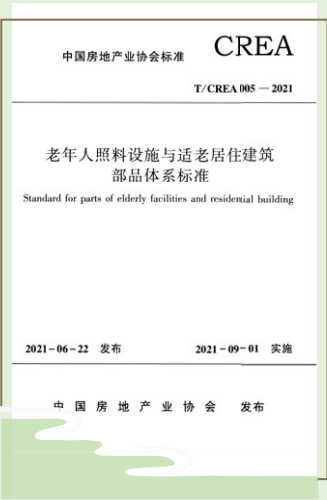
In terms of promoting the development of the industry, Greentown China actively participates in the formulation of various industry standards, gives full play to its own development advantages, and discusses the direction and challenges of industry development with other real estate companies, so as to help the sustainable development of the real estate industry and the common progress of its peers. During the Reporting Period, Greentown China cooperated with the China Institute of Building Standard Design & Research (中國建築標準院) to compile the “Greentown China Technical Guidance Manual for Prefabricated Interior Decoration” (《綠城中國裝配式內裝技術指導手冊》), raising the Greentown China’s enterprise standard to the industry standard.

During the Reporting Period, Greentown China attended the 12th China Real Estate Scientific Development Forum held by China Real Estate Association. Zhang Yadong, Chairman of the Board of Greentown China, shared Greentown China’s experience in improving product quality development. The “Standard for Parts of Elderly Facilities and Residential Building (《老年人照料設施與適老居住建築部品體系標準》)”, of which Greentown China got involved in the preparation, was released at the meeting.

Greentown China’s Involvement in the Preparation of the “Standard for Parts of Elderly Facilities and Residential Building”

In order to proactively cope with the aging of the population and solve the current problems, such as the lack of an elderly housing product and component system, the varying quality of products, and the need of intelligence and refinement, China Institute of Building Standard Design & Research took the lead to carry out research together with China Real Estate Association, Greentown China and other real estate enterprises, and formulated the “Standard for Parts of Elderly Facilities and Residential Building”.

The Standard constructs the top-level design of parts of elderly facilities and residential building for the first time, which will play a top-level leading role in the whole architecture construction industrial chain and contribute to the improvement of the elderly housing component system in China.



3.3 Public Welfare and Charity

Relying on a strong sense of social responsibility, Greentown China since its inception has always adhered to humanity ideal, fulfilled its social responsibilities to deliver the great love among people. Based on the need for caring the elderly, sports, education, environmental protection and community services in urban centers, we continue to make efforts in various fields of public welfare and charity. Carrying the public welfare ideal of all Greentown’s employees, Greentown China insists on responsibility-driven actions, mission-led development and heralding the future with culture.

3.3.1 Healthcare Service

Healthcare service has been provided by Greentown China since 2010, and three main lines of business combining organization operation management, education and training, and business consulting have been formed. So far, Greentown has self-developed or participated in eight categories of elderly care products, including hospitals, nursing homes, care homes, elderly care communities, elderly care apartments, healthcare towns, home-based elderly care, and daycare centers. Caring for the elderly is a way of giving back to the society for Greentown China, and it also represents our staff’s beautiful and persistent acts of kindness toward the elderly that come from the bottom of their heart.

“Big Love to the World (大愛天下)” under Greentown Healthcare Group (綠城康養集團), a subsidiary of Greentown China, was awarded the title of the “China’s Top10 Brands for the Elderly Care in 2021 (2021中國養老十大品牌)” and “Greentown Nuanjun (綠城暖君)” was awarded the title of the “China’s Top10 Innovation Brands for the Elderly Care in 2021 (2021中國養老創新十大品牌)”. From the past to the future, Greentown has firmly initiated a high-quality lifestyle for the elderly and creates a better living for their next phase of life. As of the end of the Reporting Period, there were more than 600 healthcare services, 10 independent institutions were operated, 11 institutions were set to open, with a total number of more than 6,000 beds, serving more than 60,000 households in healthcare towns.

Greentown China Created
A Real Estate Model for Elderly Care

As a classic case of real estate for elderly care, Greentown Wuzhen Graceland has won several honors such as “Top10 Models of Integration of Medical Care (十大醫養結合典範)”, “Asian Permanent Site of Elder University (老年大學亞洲區永久會址)” and “Top10 Innovation Brands for Elderly Care Industry (養老產業十大創新品牌)”.

Greentown Wuzhen Graceland’s “academic-style elderly care” model is born out of the core idea of “nourishment, pleasure, learning, and action”, and it is praised by the industry as a prototype and a new sample of China’s elderly care, heralding a new era of China’s elderly town development model. According to the existing natural environment and the new republican architectural style, Wuzhen Graceland draws on the gardening techniques of Jiangnan gardens, explores the design details applicable to the elderly, and establishes an emotional connection with the elderly, so as to realize the ideal of “letting the elderly have someone to care for them, have a sense of security and have a sense of happiness”.



3.3.2 Sports

Sports is the secret of keeping a city young and energetic, while large-scale sports events give birth to the development of sports themes. The National Games is one of the highest level and largest comprehensive games in China. The first National Games village was set up in Jinan in 2009, since then, the National Games villages have become the indispensable supporting project for the National Games and inject strong development momentum into the area where they are located. With “higher quality, higher efficiency and stronger team”, Greentown China has undertaken the development of four National Games villages in Jinan, Shenyang, Tianjin and Xi’an, becoming an expert in developing sports-themed properties and escorting the cities’ dream of the National Games with more than 10 years of experience and consistent product quality.

The National Games Villages Development Timeline of Greentown China



Greentown China Developed Special National Games Village Project

Xi’an National Games Village, as the fourth National Games village developed by Greentown China, has delivered a perfect answer for the Fourteenth National Games. The Xi’an National Games Village, covering a total area of 680 mu and a GFA of 910,000 square meters, is divided into athlete village, technical officer village and media village. It is the largest and most well-equipped National Games village in the history of China’s National Games, providing accommodation, catering, commercial, medical, transportation and other diversified services for the residents. Based on the needs of various aspects during the event, Greentown China has taken into account the future game scenarios at the beginning of the construction to provide full dimensional service guarantee for the event with high standards of design and forward-looking planning.



Xi’an National Games Village

Greentown China has always taken the responsibility of promoting the development of football in Zhejiang and China in general, and has been deeply committed to developing football as a public welfare undertaking, contributing to the progress of Chinese football. In 1998, we officially established Greentown Football Club (绿城足球俱乐部), and in 2004, we built the Greentown Zhongtai Football Training Base (绿城中泰足球训练基地). At a time, we established a football school with the concept of “culture opening up the mind and the mind leading the way in learning skills”. In 2021, the Zhejiang National Games team, with Greentown China’s football team as its core, won the U20 men’s football final of the Fourteenth National Games, which became the first National Games champion title in the history of Zhejiang football. Due to its outstanding achievement in the 2021 National Games, Zhejiang Professional Football Club (浙江職業足球俱樂部) was awarded the second-class collective merit by the People’s Government of Zhejiang Province for the first time, and the head coach and team members of the U20 team were awarded the second-class individual merit.

Adhering to its original philosophy and staying true to its initial mission, Greentown Football has come a long way in youth training, and has cultivated a large pool of talents for Chinese football with more than 20 years of hard work. At the same time, Greentown China has leveraged its advantages in property development and life services to actively promote the industrialization of football with several football town projects in progress; it has organized the “Go to Play Football (踢球去)” community football league, which has expanded to nearly 200 teams nationwide over the past seven years. Relying on its sense of mission and business development, Greentown China continues to promote the development of sports.



Zhejiang U20 Men's Football Championship



The Summary and Commendation Conference for the Triumph of Olympics and National Games Athletes of Zhejiang



Greentown Football Offers Public Demonstration Courses in School and Community



“Go to Play Football” Competition Highlights

3.3.3 Education Development

It takes ten years to grow a tree, but a hundred years to bring up a generation of good men. Greentown China has always regarded developing education as its social responsibility, and has made continuous investment and innovation. Running and building schools is an important means for us to practise our social responsibility and focus on education development. Carrying out public mental health education is an important way for us to show solicitude for the community and help the people to pursue a better life.

Running and Building Schools

Greentown China has always regarded education as its ultimate ideal. We are committed to building special education programmes, and have full-time private boarding schools such as Zhoushan Greentown Yuhua (International) School (舟山綠城育華(國際)學校). We established the Greentown Education Foundation (綠城教育基金會), which has carried out student grants assistance programs for Zhejiang University and Zhejiang Normal University for more than ten consecutive years. We believe schools are not only buildings, but also a supporter of children’s future and their families; therefore we have ingeniously create people-oriented, innovative, environmental friendly and tech-savvy learning venues for children with ingenious quality. Greentown China has also built a number of standard boarding schools in remote villages and renovated school buildings in a way of project management, promoting the removal and merger of small-scale schools to provide opportunities for more rural children to attend schools with better facilities. Since 2018, Greentown China has delivered over 50 schools, with a total of 115 kindergartens, primary schools and other educational facilities under construction as of 31 December 2021.

Zhoushan Greentown Yuhua (International) School

Zhoushan Greentown Yuhua (International) School, built with an investment of RMB800 million, is the 11th school invested by Greentown in China and the first private international school in Zhoushan City. With 36 classes for primary school, 12 classes for junior high school and 12 classes for senior high school, the school is able to accommodate up to 2,000 students.

Greentown firmly believes that “product is character, character is product” and treats running schools as making products. In the process of perfecting the school over a period of four years, we insisted on integrating excellent planning, design, construction and operation teams, summarizing nearly 20 years of advanced experience in running school from Greentown education, and using environmental-friendly materials and quality resources to build Zhoushan Greentown Yuhua (International) School.

As a private full-time boarding school, Zhoushan Greentown Yuhua (International) School consists of a team of backbone teachers and management from the Greentown Yuhua Education Group (綠城育華教育集團), adheres to a people-oriented approach and puts emphasis on students’ diverse choices, personal growth and future development.



Caring About Public Mental Health and Education Equity

During the Reporting Period, Greentown Love Foundation (綠城愛心基金會) donated by Greentown China was officially established, setting an industry benchmark and public welfare model. We pay close attention to the surrounding community construction and promote social attention to mental health. We have donated “Hangzhou Spring Breeze Campaign” (杭州春風行動) for eight consecutive years, with RMB1 million contributed during the Reporting Period. We set up a special fund for “Hangzhou Spring Breeze Campaign”, which is specially used for the “Greentown Spring Breeze Psychological Care” (綠城春風心理關愛) project with an aim to promote the development of mental health in Hangzhou.

During the Project Period, the fund is used to carry out psychological health science popularization, care and help for the Hangzhou citizens and the people who are identified having mental disorders. At the same time, we assisted in a series of community mental health care activities, such as setting up community psychological science popularization lectures, setting up psychological care stations, supporting families with psychological difficulties, setting up parent schools, training volunteers, printing and distributing science popularization materials through the “Greentown Spring Breeze Psychological Care” activities, and was therefore awarded the honor of Hangzhou 2021 “Spring Breeze Campaign” award unit.

In addition, Greentown Love Foundation contributed RMB1 million and entrusted Hangzhou Tulip Medical Aid Public Service Center (杭州鬱金香助醫公益服務中心) to undertake the national mental health “No Depression in China Action” (無鬱中國行) project. They jointly held the third “No Depression in China” (無鬱中國) Depression Rehabilitation Forum and 920 Yuyou Festival (920鬱友節), the national “Ten Thousand People in One Hundred Cities Relay Run” activity, and carried out mental health care and depression science popularization projects in major urban communities national wide.

No Depression in China Action (無鬱中國行)

“No Depression in China Action” is an offline public welfare activity in China, mainly in the form of lectures and individual counseling. In 2021, more than 800 online and offline public welfare activities were carried out in various cities, more than 2,000 health science popularization-related articles were published, more than 200,000 mental health manuals were issued, and assistance in mental health science popularization and depression prevention and treatment was carried out in more than 70 cities. A total of more than 2,500 volunteers participated in caring and mutual assistance activities across the country, benefiting more than 3 million person-times.



Lecture On Mental Health of “No Depression in China Action”
by Greentown Love Foundation

In addition, subsidiaries of Greentown China are encouraged to select suitable needy schools in the region to carry out staff donation and help with schooling activities. In the past five years, around 1,000 staff had joined the “Green Seedling Plan” (綠苗計劃), a public benefit activity with “Building Dreams for Children, Working Together for the Future” as its theme, making over RMB800,000 worth of donations.

Southern Regional Company Went to Shaoguan Again to Carry Out the “Green Seedling Plan” (綠苗計劃)

During the Reporting Period, Southern Regional Company of Greentown China formed a “Green Seedling Plan” team and went to Xinqiao village, Datang Town, Qujiang District, Shaoguan city again to carry out donation activities. Local relevant departments, and more than 40 students and parents who had received donations participated in the activities.

The economic development of Xinqiao village in Shaoguan city lags behind, and the situation of many left-behind children and poor students in school has not been significantly improved. Since 2019, Southern Regional Company of Greentown China have teamed up with Xinqiao village to start assistance and cooperation for poor students and practice its original intention of helping poor students with excellent qualities and academic achievement to complete their studies. In 2021, a total of 14 employee volunteers participated in the assistance activities of Xinqiao village.



The “Green Seedling Plan” (綠苗計劃) Carried out by Southern Regional Company of Greentown

3.3.4 Public Welfare Activities

Greentown China comprehensively conducts public welfare charity undertakings in the fields of culture and education, football and other sports, mental health, poor assistance, student assistance, helping the needy, disaster relief, elderly help and others to realize the vision of “ideal life, healthy life”, and establish the industry benchmark and public welfare model. During the Reporting Period, we donated a total of RMB11.5 million.

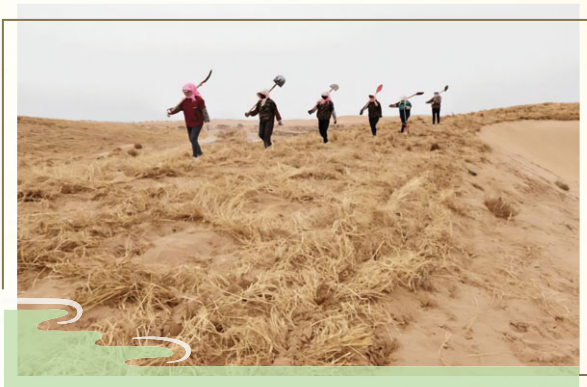
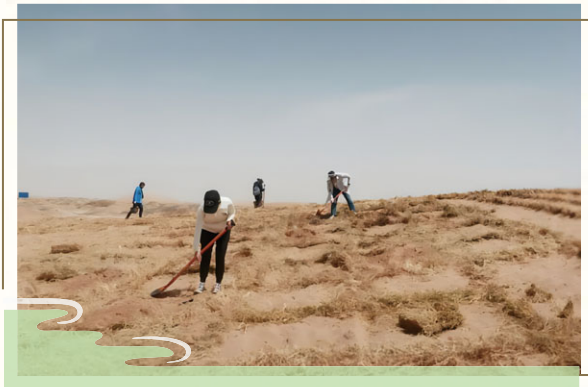
Delivering Green, Building Beautiful

Since 2015, Greentown China has persevered with its “Growing Spring Breeze”, an oasis-building initiative, which had created a “Greentown Forest” in Minqin County, Gansu Province, one of the four major sandstorm areas in China. There are about 100,000 Haloxylon trees grown into the oasis and taking root in the Minqin Desert to fight against sandstorms. After seven years of donation, “Greentown Forest” covers an area of nearly 1,500 mu and is the largest corporate public welfare forest in Minqin. At the same time, we carried out actions to help farmers.



Same as previous years, during the Reporting Period, we launched the “Growing Spring Breeze” action in March. Greentown staff and homeowners from all over China, as well as other caring people, participated in the donation of the Haloxylon trees. Due to the influence of the COVID-19 pandemic and response to the call of common prosperity, online charity sale was initiated again in the “Growing Spring Breeze” action this year, in which the medlar, red dates, lamb and cistanche, which are abundant in Minqin area, were sold through online live broadcast. It not only brought more people to know and pay attention to Minqin, but also increased local people’s income and contributed to rural revitalization.

In the future, Greentown China will continue to carry out the “Growing Spring Breeze” charity action, and call on more people to participate in the “Growing Spring Breeze” activity of donating Haloxylon trees to Minqin, so as to plant an oasis in the desert and pass on the warm-hearted green relay action.



Greentown China “Growing Spring Breeze” Charity Action

Stand Together to Overcome the Disaster

Emergencies such as epidemics and disasters are not only a test for the whole society, but also for Greentown China. Since the outbreak of the COVID-19 pandemic, Greentown China has actively participated in the joint fight against the epidemic. While establishing an epidemic prevention and control working group, Greentown China has mobilized all resources for setting up a special epidemic relief fund to support the work of fighting against epidemic across the country, giving a helping hand for the whole society to overcome the epidemic. In addition, we are always concerned about impact of natural disasters on society and actively undertake our social responsibility. During the Reporting Period, we have been concerned about the flood in Henan. Upholding the belief of “United Together”, Greentown China took an initiative to carry out donation work, and also continued to invest in post-disaster construction work. During the Reporting Period, faced with repeated outbreaks of COVID-19 pandemic in various regions, we also actively made feedback to the local communities and assisted them in responding to emergencies. On 25 November 2021, the Zijin Port Campus of Zhejiang University was closed for management and supplies were in shortage due to the outbreak of COVID-19 pandemic in Hangzhou. Greentown China immediately organized an inventory of spare anti-epidemic materials in Hangzhou units, including nearly 10,000 masks and nearly 100 anti-epidemic care kits, and responded quickly within 24 hours by delivering the supplies to the campus, which helped the school manage and control the COVID-19 pandemic.

Assistance to Henan

During the Reporting Period, Greentown China arranged materials and funds as soon as possible upon being aware of the sudden flood in Henan. Through the joint efforts of Greentown China Headquarters, employees and Greentown Love Charity Foundation, we have donated supplies and financial support with an accumulation of more than RMB10.06 million in total.



Greentown China Made Donations to Disaster-stricken Areas in Henan

Considering the difficulties of post-disaster reconstruction, Greentown Love Foundation has warmly carried out online public welfare lecture for disaster-stricken group regarding strategies of post-disaster mental healing through online live broadcasting. Nearly 800 people-times in the disaster-stricken area participated in the lecture.



Greentown China’s Lecture on Psychological Reconstruction of Public After Flood in Henan

Organizing Volunteer Activities to Give Back to the Local Communities

Greentown China actively develops its employee volunteer team and encourages its employees to contribute to public welfare in person. As of the end of the Reporting Period, our employees participated in volunteer service activities for a total of 6,000 hours.

Through our “Green Benefits Initiative” (綠益行動), we carry out caring activities for children with autism no less than twice a year. At Zhejiang Aibei Children’s Rehabilitation Centre, we organized employee volunteers to attend autistic children’s care activities. With our employee volunteers accompanying autistic children in drawing and playing games, we conveyed the Company’s and employees’ care for the community and made them practitioners of social welfare activities. At the same time, knowledge of autism and autistic disorders was instilled in all volunteers in advance to ensure better communication and interaction between the volunteers and the children during the activity. In addition, we regularly organize employees to carry out one-on-one care and communication activities for the elderly in the communities, nursing homes and care homes.



Greentown China Cares for Children with Autism



Greentown China’s Visit in Nursing Home

3.4 Customer Service

Greentown China continuously strives to strengthen its three core competencies in providing professional marketing, offering full-scope services and achieving business diversification. We pursue the highest customer satisfaction by promoting service upgrades; activate front-line competitiveness by developing system and methodology; and promote the transformation of Greentown China into an integrated living service provider for a better life by creating digital ecology and accelerating the digital construction of marketing services.

3.4.1 Service Guarantee

Greentown China believes that delivery represents a start point for a better life, and a fulfillment of our brand commitment. We strive to provide a strong service guarantee for customers, implement the basic guarantee for quality services through compliance marketing and information protection, facilitate high-efficient service turnover by standardization, thus demonstrating a realistic expression of Greentown China’s fulfillment of its commitment of human living space.

Compliance Marketing

Greentown China practices compliance marketing. It distributes “Adverse Factors Specification Requirements (《不利因素規範要求》)” in a unified way to ensure that homebuyers can make their judgments on the impact and degree in advance, and reduce delivery risks arising from potential adverse factors in the front end of sales. In order to ensure the implementation of comprehensive and effective marketing risk management, Greentown China has established a daily risk control mechanism and a Red and Yellow Card Inspection Mechanism (紅黃牌巡查機制), to strengthen internal marketing compliance awareness and risk management ability continuously.

Red and Yellow Card Inspection Mechanism

Greentown China has set a “Checklist for the Red and Yellow Card Inspection”, which clearly classifies overcommitted, grandiose, false advertising acts during the marketing activities into the “Yellow Card” matters and classifies those who bring negative opinions and cause damage to the Company’s brand and operation into the “Red Card” matters. Penalties for red and yellow card matters shall be determined based on the seriousness of individual circumstances, including warning, demerit recording, performance deduction, demotion and dismissal, labor contract termination to other punishment measures

Daily Risk Control Mechanism

Greentown China has set up a specialized approval process for promotion materials, which requires advertisement contents should be approved and confirmed by each staff of marketing, branding, and legal departments before formal publication. We shall organize theory and case training of risk control for brand planning publicity and promotion from time to time to strengthen the warning awareness and risk control ability

The Compliance Marketing Management Mechanism of Greentown China

In order to improve the compliance marketing ability of the front-line staff, Greentown China provides comprehensive training and extensive publicity for all marketing content. Based on the two pillars of publicity compliance and brand standardization, Greentown China ensures that it has fulfilled its obligation to the customer in all aspects of marketing activities. Compliance marketing-related training has reached 100% coverage among marketing and sales staff.



Greentown China’s Training and Publicity Content in Respect of Compliance Marketing

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VI: Visual Identity

Information Protection

Greentown China has strictly complied with the requirement of laws and regulations where it operates, such as *The Law of the People’s Republic of China on the Protection of Consumer Rights and Interests* (《中華人民共和國消費者權益保護法》), *The Internet Security Law of the People’s Republic of China* (《中華人民共和國網絡安全法》) and regulatory requirements. It has also set “*Standards for the Management of Computer Information Security* (《計算機信息安全管理標準》)” and the “*Marketing Business System (Sales Management System) Management Frameworks* (《營銷業務系統(銷售管理系統)管理制度》)”, which provide a practical operation basis for the frontline staff. In order to guarantee the security of customer information throughout the whole chain, Greentown China has established solid protection measures for information acquisition, use, storage and exchange.

Meanwhile, we continue to strengthen the awareness and ability of internal staff on information protection, and minimize the risks of information security occurring from the staff side by providing training related to customer information security and privacy protection for all staff.

Individual Information Acquisition

Greentown China has ensured its information collection is conducted in accordance with the law and under customer authorization, and it has clearly informed the customer of the content and usage of the information collected

Individual Information Use

Greentown China has established authorized access to data at each level to avoid customer information leakage from the source. Greentown China has also set up a strict approval mechanism for information use and encrypted customer information so as to safeguard customer privacy security in a comprehensive way

Individual Information Storage

Greentown China has increased its security investments in networks, facilities, computer rooms, etc. to ensure self-construction or procurement of security services

Individual Information Exchange

Greentown China has set up a safety system for customer data output, which can encrypt customer information when dealing with customer information exchange and only outputs encrypted and unrecoverable customer outputs information

Greentown China’s Initiatives for Customer Information Protection

Standardized Services

On the basis of our guaranteed service compliance, we have established standardized service procedures to ensure our services are standardized and targeted, and therefore provide quantifiable and optimized service guarantees for customers. Centralizing on customer demands and adhering to our principles of enhancing customer experience, we provide services within 12 categories with 29 required services and 12 optional services through three stages of pre-contract, post-contract to pre-delivery and post-delivery to create a service touchpoint of customer experience. For the use of products, we provide product services from design to construction, delivery to use based on customers’ demands to build a lifecycle housing product service. For homeowners’ living, we promote relationship with homeowners mainly through activities such as customer caring and living welfare to build a full-dimension living services for customers.

In order to highlight “Greentown’s characteristics” in our service content and deliver our “Greentown culture”, we have launched featured service concepts such as “Caring and Heart Services (美好心服務)” and “5G “Whole-Hearted” Services (綠城5G心服務)”, and formulated standardized documents and implementation specifications respectively, to ensure that customers can receive professional service process and excellent service experience.

Caring and Heart Services

- Greentown China has released the Standards for the Implementation of Caring and Heart Services of Project Marketing 《項目營銷美好心服務實施標準》, which helped to promote the launch and deep development of Greentown’s brand in various cities through the pre-experience system of Caring and Heart Services. The Caring and Heart Services include five primary contents, namely Caring and Heart Welfare, Caring and Heart Voice, Caring and Heart Offices, Caring and Heart Model and Caring and Heart Delivery.

5G “Whole-Hearted” Services

- We believe that, “everyone is the service provider and the service receiver” in Greentown’s communities. A service system is not only a flat framework in a single dimension, but also a three-dimensional model which keeps extending horizontally and vertically. 5G “Whole-Hearted” Services include G-House, G-LINK, G-BOX, G-SPACE, and G-CLUB, which collectively create a future living scene in Greentown communities.

Standardized Featured Services of Greentown China

3.4.2 Services Optimization

Greentown China is committed to continuously enhancing customer satisfaction in order to allow them truly recognize our services concept of “customers come first” and become Greentown China’s most critical loyal customer base, thereby facilitating the achievement and maintenance of our goal of “ranking first in the industry in terms of customer satisfaction”. We have established a customer services online system, which achieved online and offline interactions and formed a new model of customer services.

Customer Communication

Greentown China considers customer feedback the driving force in continuously enhancing service quality. In terms of the response to customer complaints, Greentown China has developed the Basic Norms on Handling Customer Complaint, the Notice of Implementing the Mechanism of One-vote Veto by Customer Complaint, the Management Standards on Third-party Customer Satisfaction Survey, the Management Standards on the Calling Platform of “95059”, based on which it classified customer complaints and complaint risk as three levels, namely, common complaints, significant complaints and material complaints with corresponding clear definitions, responsibility levels, treatment requirements to control customer complaint risks effectively, timely and effectively address customer complaints, enhance customer services quality and protect customer interest, thereby improving customer satisfaction and loyalty.

In order to fully collect customer feedback, Greentown China has established diversified channels for customers to submit complaints and feedback, in order to proactively build customer communication channels, gain in-depth understanding of customer opinions and needs, and achieve effective communication with customers. During the Reporting Period, Greentown China received a total of 5,768 complaints from customers, including 3,440 complaints for product quality, 2,129 complaints for service issues, 199 complaints for other issues, and 99.1% of complaints have responded to customers and have been properly resolved.



Greentown China’s Feedback Channels for Customer Complaints

Establish Model for Customers' Complain and Respond

Greentown China's Zhoushan Project Group has emerged as a model for handling customer complaints and feedback thanks to its solid customer services and practical risk prevention and control actions. During the Reporting Period, Zhoushan Project Group delivered three projects and after delivery received two complaints in respect of services quality, 12 complaints in respect of product quality. Its customer complaints responded and duly settled accounted for 100%. In order to enrich property owner's life, Zhoushan Project Group has created "Ruxin Neighborhood of 12 Communities (如心鄰里十二社)" with the concepts of "crowdfunding, co-development, self-governance, sharing" and the aim of enriching property owner's domestic life. It strengthened front-end control, process control and result control with innovative concepts of "pre-judgment, process linkage, timely handling", transitioning from passive customer services to active customer services, achieving good results in satisfaction with highly effective services and winning high commendations from property owners.



Greentown China's Customer Service Staff are Handling Complaints with Property Owners on Site

While rapidly responding to customer complaints, Greentown China has initiated active communication with them through customer satisfaction surveys and a timely understanding of their needs. We have conducted "Spring Dawn (春曉)" Survey, which enables us to fully understand customer demand for products and services and turn the findings into fruitful guidelines and take into consideration customer opinions and recommendations.

In 2021, according to the "Chinese Urban Residents' Satisfaction (中國城市居民居住滿意度)" survey, Greentown China ranked first with a score of 88.7 in overall satisfaction and won the first place in terms of urban satisfaction in 14 cities including Hangzhou, Suzhou, Zhengzhou, Hefei, Jinan, Qingdao, Xi'an, Dalian, Ningbo, Jiaxing, Shaoxing, Zhuhai, Zhoushan and Jinhua, respectively.

Leverage Digitalization

Greentown China is committed to integrating front-end, front-line business personal and back-end diversified services by applying digitalized marketing and services. By enhancing service efficiency and quality, we continue to answer clients’ in-depth appeals and meet their various needs.

In terms of digitalized marketing, Greentown China uses “Greentown Cloud Mini Program” and “Real Estate Greentown Official Account” as its online window to build Greentown China’s official sales platform. It continues to improve efficiency in customer services and attraction of marketing.

In terms of digitalized services, Greentown China has capitalized on platforms like “Greentown + APP” and “Greentown + Mini Program” to build an online customer system in order to integrate diversified user services and improve the richness of services through digitalized platforms.



Greentown China’s Digitalized Services Content

3.5 Win-win Cooperation

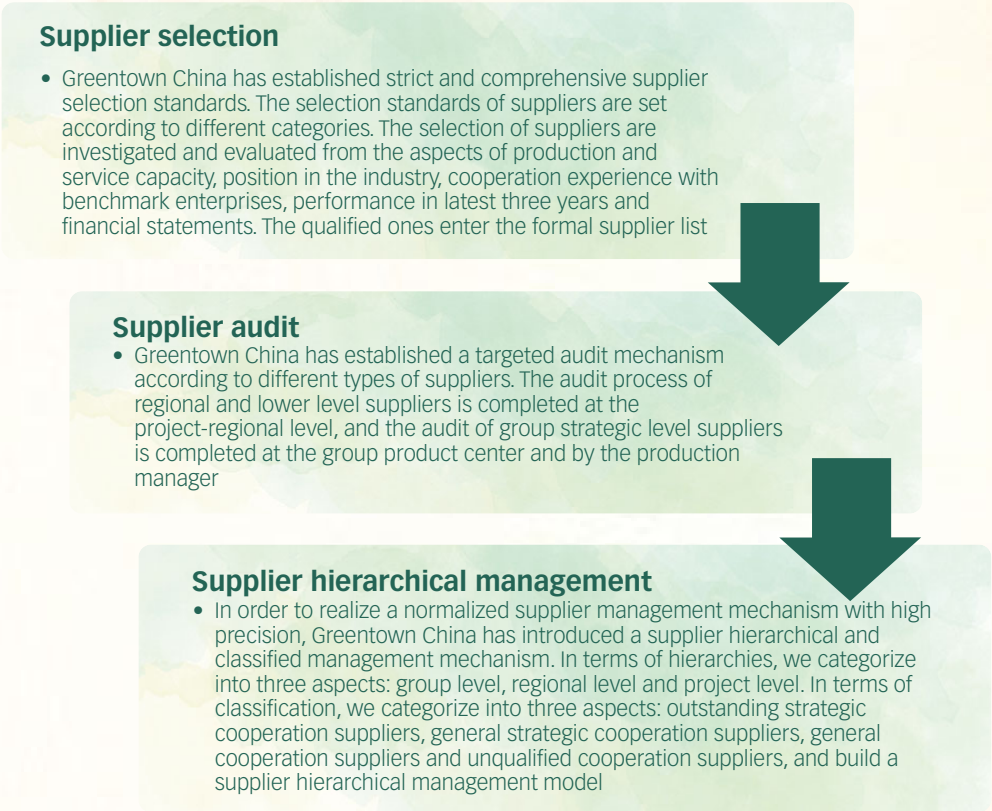
Greentown China regards suppliers as partners to jointly build the industry’s high-quality supply chain. We fully implement supply chain management and take risk awareness as the guidance to improve the guarantee capability of the upstream supply chain. We focus on supply chain empowerment and take customer demand as the guidance, so as to optimize supply product quality and response efficiency, and work together to promote the establishment of a responsible concept in the industry.

3.5.1 Supply Chain Management

Greentown China is committed to building a responsible supply chain, taking strict upstream quality control as the source, and actively fulfilling its environmental and social responsibilities. We have established a comprehensive whole life cycle management process of supplier and forward-looking risk management awareness, continuously strengthened the stability and guarantee of the supply chain, and improved the competitiveness of the supply chain platform in all aspects.

Supplier Management

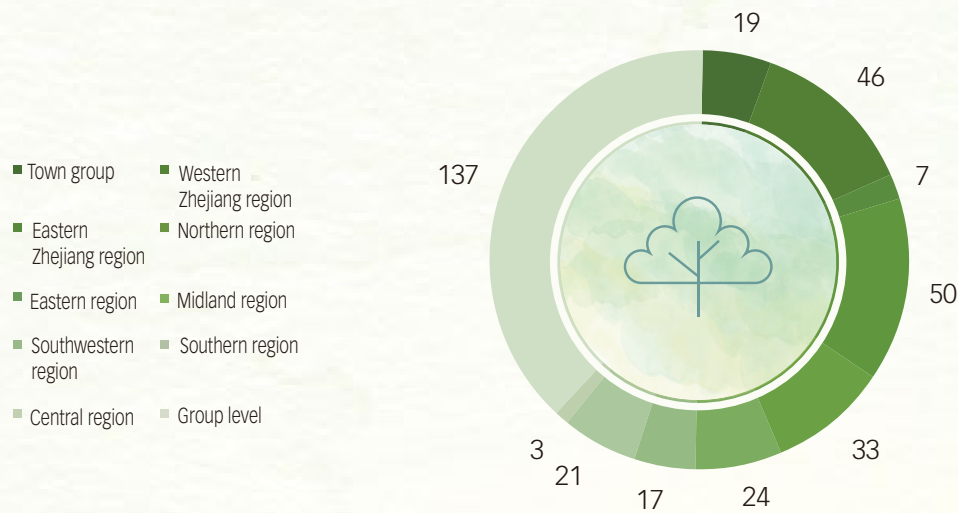
Greentown China strictly abides by the laws, regulations and regulatory standards of operating places such as the Tendering and Bidding Law of the People’s Republic of China, and has formulated internal management systems such as the Management Standards on Procurement of Materials and Equipment, the Management Standards on Strategic Suppliers of Materials and Equipment, and the Management Standards on Centralized Procurement of Materials and Equipment, and established a whole periodic management procedures of various suppliers in respect of access, performance and evaluation. During the Reporting Period, Greentown China carried out 97 inspections to supervise and review suppliers’ compliance operations and quality management.



Greentown China’s Whole Periodic Management Process of Suppliers

To drive local economic development and promote strategic cooperation with local suppliers, Greentown China has continued to increase the proportion of local suppliers, set up localized cooperation units in all regions, and established a relatively stable cooperation relationship concerning Greentown China’s strategic cooperation model.

As of 31 December 2021, Greentown China cooperated with 326 suppliers in total¹⁴. The following chart sets out the number of suppliers by region:



Greentown China's Suppliers by Region in 2021

Supplier Risk Control

Greentown China fully implements the risk management of all links in the procurement process, is committed to fully considering the social and environmental performance and responsibility in cooperation with suppliers, and building a responsible supply chain in an all-around way.

To manage related social risks, Greentown China strictly implements the compliance audit of suppliers through qualification review to ensure that the performance of suppliers in terms of business ethics and labor norms meets the requirements of the Group. We ensure that the procurement process involving bidding and price comparison is carried out on the transparent bidding and procurement platform, and require all suppliers to sign strategic agreements and Integrity Agreement (《廉潔協議書》). The Office of the Board of Greentown China has a Supervision Department, which is responsible for receiving complaints about the integrity of various cooperators and supervising and checking the compliance of the bidding process on a sampling basis. Meanwhile, the bidding announcement of Greentown China clearly publicized the complaint telephone number of the Supervision Department, and encouraged internal and external parties to supervise the fairness and integrity of Greentown China's supply chain.

¹⁴ Among the 326 suppliers, 31 of which were shared with other regions at the group level

In the cooperation agreement, Greentown China has made precise requirements for suppliers of wall and floor tiles and coatings to manage environmental-related risks. The supplier must obtain the environmental impact assessment certificate from the local government as the necessary qualification certificate. At the same time, Greentown China will prioritize cooperation opportunities to companies that comply with the clean energy policies such as coal to gas, good ventilation and dust removal equipment and meet the standards of sewage discharge. On the basis of strictly controlling the environmental risks of suppliers, Greentown China actively purchases green products, and is committed to working with external partners to promote the construction of a green supply chain jointly.



Greentown China’s Initiatives on Green Product Procurement ^{15, 16}

3.5.2 Supply Chain Empowerment

Strengthening the guarantee capability of the supply chain is an important way for Greentown China to enhance its product competitiveness continuously. Greentown China pays attention to the capacity-building of suppliers. Through carrying out active supplier communication activities, Greentown China can effectively understand the opinions and feedback of suppliers and help both parties achieve more efficient and smooth cooperation.

Greentown China communicates with the suppliers regularly to ensure the smooth development of procurement cooperation. In order to improve the fit of long-term collaboration, Greentown China establishes communication channels with suppliers in the form of supplier conferences to ensure that suppliers timely understand and follow up Greentown China’s requirements and expectations in all aspects.

¹⁵ COP: Coefficient of performance. It refers to the ratio obtained by dividing the refrigerating (heating) capacity of the unit in the same unit by the total input electric power under the specified working conditions.

¹⁶ ILPV: Integrated part load value. It refers to the partial load efficiency index of air conditioning chiller unit expressed by a single value.

Greentown China 2021 Annual Supplier Conference

Greentown China held a group-level supplier conference on 28 May 2021, which was attended by more than 40 outstanding suppliers. Through this meeting, the development strategy and new supplier management measures of Greentown China were announced to the suppliers, while some of their representatives were invited to speak, and to listen to suggestions from their companies.



Greentown China 2021 Annual Supplier Conference

On the basis of communication with suppliers, Greentown China timely responds to the problems and opinions fed back by suppliers, assists suppliers in problem-solving and continuously optimizes the coordination ability of the supply chain. During the Reporting Period, according to the statistical summary and analysis of various projects and regions, Greentown China identified more than 10 key partners with problems at last, and convened meetings with them to formulate solutions and solve the supply problems one by one.

To further improve supplier capability and supply quality, Greentown China continues to carry out supplier-oriented training programs. During the Reporting Period, Greentown China organized the Kungpeng Program(鲲鹏計劃) focusing on supplier training to train the main managers of supplier companies that have cooperated with Greentown China for a long time, so that suppliers can have a deeper understanding of the quality requirements of Greentown China.

Improving the upstream supply chain quality is the goal of suppliers and the responsibility of Greentown China. During the Reporting Period, we worked with upstream suppliers to jointly develop “GAI”(極愛)aluminium alloy system doors and windows, which significantly improved the airtightness, heat insulation and sound insulation performance of doors and windows, and worked together to provide customers with quality products.

Appendix I: HKEx ESG Content Index

ENVIRONMENTAL, SOCIAL AND GOVERNANCE			In Chapter
Scope and General Disclosures and Key Performance Indicators (KPI)			
Environmental			
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 nonhazardous waste	2.2 Green Operation
	A1.1	The types of emissions and respective emission data	2.2.3 Emission Management
	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)	2.2.4 Response to the Climate Change
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	2.2.3 Emission Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	2.2.3 Emission Management
	A1.5	Description of emissions targets set and the steps taken to achieve them	2.2.1 Environmental Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them	2.2.3 Emission Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE			In Chapter
Scope and General Disclosures and Key Performance Indicators (KPI)			
A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	2.2.2 Resources Consumption
	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)	2.2.2 Resources Consumption
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	2.2.2 Resources Consumption
	A2.3	Description of energy use efficiency targets set and the steps taken to achieve them	2.2.1 Environmental Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency targets set and the steps taken to achieve them	2.2.1 Environmental Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable to principal business
A3: The Environment and Natural Resources	General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	2.2.1 Environmental Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	2.2.1 Environmental Management
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	2.2.4 Response to the Climate Change
	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	2.2.4 Response to the Climate Change
Social			
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, antidiscrimination, and other benefits and welfare	3.1.1 Staff Employment
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	3.1.1 Staff Employment
	B1.2	Employee turnover rate by gender, age group and geographical region	3.1.1 Staff Employment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE			In Chapter
Scope and General Disclosures and Key Performance Indicators (KPI)			
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	3.1.4 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	3.1.4 Health and Safety
	B2.2	Lost days due to work injury	3.1.4 Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	3.1.4 Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	3.1.2 Talent Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	3.1.2 Talent Development
	B3.2	The average training hours completed per employee by gender and employee category	3.1.2 Talent Development
B4: Labor Standards	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 preventing child and forced labour	3.1.1 Staff Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labor	3.1.1 Staff Employment
	B4.2	Description of steps taken to eliminate such practices when discovered	3.1.1 Staff Employment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE			In Chapter	
Scope and General Disclosures and Key Performance Indicators (KPI)				
B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain	3.5	Win-win Cooperation
	B5.1	Number of suppliers by geographical region	3.5.1	Supply Chain Management
	B5.2	Description practices of relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	3.5.1	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	3.5.1	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	3.5.1	Supply Chain Management
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	1.3	Product Quality Control
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	1.3.2	Quality Assurance
	B6.2	Number of products and service related complaints received and how they are dealt with	3.4.2	Service Optimization
	B6.3	Description of practices relating to observing and protecting intellectual property rights	1.2.3	Intellectual Property
			1.3.1	Product Research and Development
	B6.4	Description of quality assurance process and recall procedures	1.3.2	Quality Assurance
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	3.4.1	Service Guarantee

ENVIRONMENTAL, SOCIAL AND GOVERNANCE			In Chapter	
Scope and General Disclosures and Key Performance Indicators (KPI)				
B7: Anti-corruption	General disclosure	Information on: (a) the policies; and (b) compliance with the information in relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	1.2	Responsibility Operation
	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	1.2.2	Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	1.2.2	Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff	1.2.2	Business Ethics
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	3.2	Caring Our Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	3.3	Public Welfare and Charity
	B8.2	Resources contributed (e.g. money or time) to the focus area	3.2	Caring Our Society

Appendix II: ESG Data Performance Indicators

Governance Performance

Business ethics	2021	Unit	HKEx Indicator
Anti-corruption cases	0	case	B7: Anti-corruption
Number of business ethics trainings	10	times	
Number of participants receiving business ethics training	3,000	person	

Environmental Performance

Green building certification ¹⁷	Number of accumulated projects
3-star green building ¹⁸	3
2-star green building ¹⁸	30
1-star green building ¹⁸	79
International green building certification ¹⁹	5

Greenhouse gas emission ²⁰	2021	Unit	HKEx Indicator
Greenhouse gas emission-scope 1 ²¹	1459.79	Tonnes CO ₂ equivalent	A1: Emissions
Greenhouse gas emission-scope 2 ²²	32,136.42	Tonnes CO ₂ equivalent	
Total greenhouse gas emissions	33,596.21	Tonnes CO₂ equivalent	
Greenhouse gas emission density ²³	0.18	Tonnes CO ₂ equivalent/sqm GFA	

¹⁷ Green building certification includes only asset-heavy segment.

¹⁸ This certification is China Green Building Design Label.

¹⁹ Include LEED (Leadership in Energy & Environmental Design) and WELL certification program.

²⁰ Greenhouse gas emissions is calculated with reference to the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from (Industrial and Other Industries Enterprises (Trial))* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》). Greenhouse gas emissions data excludes overseas project due to other force majeure factors such as COVID-19.

²¹ The main sources of greenhouse gas emission (scope 1) are gasoline and diesel from vehicles and natural gas from canteens.

²² The main source of greenhouse gas emission (scope 2) is the greenhouse gas emissions generated by purchased electricity.

²³ The denominator used for calculating the density was the office area where the business is directly controlled by Greentown China.

Waste disposal		2021	Unit	HKEx Indicator
Hazardous waste	Fluorescent light tube	0.93	tonnes	A1: Emissions
	Waste battery	0.59	tonnes	
	Ink cartridge	0.63	tonnes	
	Waste liquid after facilities maintenance	0.32	tonnes	
	Total hazardous waste produced	2.47	tonnes	
	Hazardous waste production intensity ²³	0.000013	tonnes/sqm GFA	
Non-hazardous waste	Paper recycling	9.04	tonnes	A1: Emissions
	Metal recycling	1.18	tonnes	
	Plastic recycling	0.38	tonnes	
	Glass recycling	0.17	tonnes	
	Total non-hazardous waste recycling	10.77	tonnes	
	Paper usage	274.03	tonnes	
	Metal usage	5.81	tonnes	
	Plastic usage	2.22	tonnes	
	Glass usage	3.99	tonnes	
	Kitchen waste	672.34	tonnes	
	Construction waste	93.65	tonnes	
	Total non-hazardous waste produced	1,052.04	tonnes	
	Non-hazardous waste production intensity ²³	0.0056	tonnes/sqm GFA	

Gas emissions ²⁴		2021	Unit	HKEx Indicator
Air pollutant emission from vehicles – NO _x emission		39.75	kg	A1: Emissions
Air pollutant emission from vehicles – SO _x emission		1.64	kg	
Air pollutant emission from vehicles – CO emission		954.91	kg	
Air pollutant emission from vehicles – PM2.5 emission		14.21	kg	
Air pollutant emission from vehicles – PM10 emission		14.25	kg	
Air pollutant emission from vehicles – HC emission		75.60	kg	

Wastewater discharge		2021	Unit	HKEx Indicator
Total wastewater discharge		153,589.75	tonnes	A1: Emissions

²⁴ The calculation of air pollutant emission from vehicle only includes the vehicles owned by the headquarters of Greentown China Group and excludes those owned by its subsidiaries and project companies. The calculation was made by reference to the *Technical Guide for Air Pollutant Emission Inventory for On-road Vehicles (Trial Implementation)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

Energy consumption ²⁵	2021	Unit	HKEx Indicator
Total electricity consumption	48,347,455.22	kWh	A2: Use of Resources
Total petrol consumption	526,435.74	litre	
Total diesel consumption	7,946.17	litre	
Total consumption of liquefied petroleum gas	51,199.68	litre	
Total natural gas consumption	46,420.94	litre	
Total direct energy consumption ²⁶	732.39	tonnes of standard coal	
Total indirect energy consumption	5,941.90	tonnes of standard coal	
Total comprehensive energy consumption	6,674.29	tonnes of standard coal	
Comprehensive energy consumption density ²³	0.04	tonnes of standard coal/sqm GFA	

Water consumption	2021	Unit	HKEx Indicator
Total water consumption	191,987.19	tonnes	A2: Use of Resources
Total water consumption density ²³	1.02	tonnes/sqm GFA	
Total water conservation	4,447.35	tonnes	

Social Performance

Staff employment	2021	Unit	HKEx Indicator
Number of staff	10,120	person	B1: Employment
Number of staff by gender			
Male	6,429	person	B1: Employment
Female	3,691	person	
Number of staff by age			
Below 30	2,773	person	B1: Employment
30-49	7,104	person	
50 and above	243	person	
Number of staff by rank			
Number of senior management	38	person	B1: Employment
Number of mid-level seniority	260	person	
Number of entry-level staff	9,822	person	
Number of staff by region			
Zhejiang Region	6,144	person	B1: Employment
Northern Region	1,130	person	
Eastern Region	933	person	
Midland Region	502	person	
Southwest Region	571	person	
Southern Region	377	person	
Central Region	460	person	
Overseas	3	person	

²⁵ Overseas projects are not included in the usage data of various resources due to other force majeure factors such as COVID-19.

²⁶ The energy consumption was converted into standard coal with reference to GB/T 2589-2020 General Principles of Comprehensive Energy Consumption Calculation.

Staff retention	2021	Unit	HKEx Indicator
Staff turnover rate	14.2	%	B1: Employment
Staff turnover rate by gender			
Male	9.2	%	B1: Employment
Female	5	%	
Staff turnover rate by age			
Below 30	5.3	%	B1: Employment
30-49	8.8	%	
50 and above	0.1	%	
Staff turnover rate by region			
Zhejiang Region	7.3	%	B1: Employment
Northern Region	1.5	%	
Eastern Region	1.7	%	
Midland Region	1.2	%	
Southwest Region	0.8	%	
Southern Region	0.8	%	
Central Region	0.9	%	
Overseas	0	%	

Safe production	2021	Unit	HKEx Indicator
Number of work-related fatalities	0	person	B2: Health and Safety
Lost days due to work injury	0	day	

Staff training	2021	Unit	HKEx Indicator
Number of training hours per capita by gender			
Male	16.49	hour	B3: Development and Training
Female	5.95	hour	
Number of training hours per capita by rank			
Senior management	10.70	hour	B3: Development and Training
Mid-level seniority	9.40	hour	
Entry-level staff	6.90	hour	

Supplier management	2021	Unit	HKEx Indicator
Total number of suppliers ²⁷	326	unit	B5: Supply Chain Management
Number of suppliers by region			
Town group	19	unit	B5: Supply Chain Management
Western Zhejiang region	46	unit	
Eastern Zhejiang region	7	unit	
Northern region	50	unit	
Eastern region	33	unit	
Midland region	24	unit	
Southwestern region	17	unit	
Southern region	21	unit	
Central region	3	unit	
Group level	137	unit	

Products and services	2021	Unit	HKEx Indicator
Total number of complaints	5,768	case	B6: Product Responsibility
Customer complaint resolution rate	99.1	%	

Innovative research and development	2021	Unit	HKEx Indicator
Total number of patent authorization obtained	560	unit	B6: Product Responsibility
Total number of registered trademarks held	761	unit	
Existing copyright registrations	141	unit	

Community charity	2021	Unit	HKEx Indicator
Charitable donations	11,500,000	RMB	B8: Community Investment
Educational facilities under construction for the current period	115	unit	
Accumulated planting area of “Greentown Forest”	approximately 1,500	mu	

²⁷ Among the 326 suppliers, 31 of which were shared with other regions at the group level.

GREENTOWN CHINA HOLDINGS LIMITED

Hangzhou Headquarters

10/F, Block A, Century Plaza, No.1 Hangda Road,
Hangzhou, Zhejiang, PRC (Postcode: 310007)
Tel: (86-571) 8898 8888 Fax: (86-571) 8790 1717

Hong Kong Office

Rm 1406-1408, New World Tower 1,
16-18 Queen's Road Central, Hong Kong
Tel: (852) 2523 3138 Fax: (852) 2523 6608

www.chinagreentown.com



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