

2023 ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



GREENTOWN
SERVICE



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About the Report

Overview

This is the eighth Environmental, Social and Governance Report (“ESG Report”) issued by Greentown Service Group Co. Ltd. (“Greentown Service”, “the Group” or “we” stands for the Group), presenting the management practice and performance in the aspects of environment and social in 2023.

Reporting Period

This Report is an annual report for the period from 1 January to 31 December 2023 (the “Reporting Period”). To enhance the readability of the report, some contents or data relate to previous or subsequent years.

Organization Scope

The scope of this report covers the Group’s head office and its subsidiaries, except for data in the environmental category, and remains unchanged from the previous year. For data in the environmental category, due to the Group’s business attributes, which have limited impact on the use of resources on managed projects, the scope of the statistics covers the Group’s head office and remains unchanged from the previous year.

Data of the Report

Data and cases presented herein were extracted from the internal documents, reports and other documentation that keep track of the progress in satisfying performance obligations of the Group.

Basis of Preparation

This report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide, Appendix C2* of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and also refers to the following guidelines:

- ◆ Global Reporting Initiative’s Sustainability Reporting Standards (“GRI Standards”)
- ◆ The Corporate Social Responsibility Reporting Guidelines released by the Chinese Academy of Social Sciences (“CASS-ESG 5.0”)
- ◆ the United Nations Sustainable Development Goals (SDGs)
- ◆ “Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation” White Paper¹-Stakeholder Capitalism Metrics from World Economic Forum International Business Council
- ◆ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- ◆ The contents in Response to Climate Change section refer to the recommendations of the TCFD (Climate Related Financial Disclosure), the requirements of the Environmental, Social and Governance Reporting Guide of HKEX and IFRS S2 Climate-related Disclosures

¹ Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation, World Economic Forum, September 2020.

Reporting Principles

This Report is prepared in accordance with the following principles:

Materiality: The Group identifies major ESG issues through materiality assessment, and the relevant process and results have been disclosed in this report.

Quantitative: The Group makes quantitative disclosure of the key performance indicators with historical data in the areas of “environmental” and “social” according to the requirements of the “Key Performance Indicators” in the *Environmental, Social and Governance Reporting Guide*, the Appendix C2 of the Listing Rules, the criteria used for the indicators involved in the calculation are detailed in “Green Practice and Low-carbon Operation”. Quantitative disclosure of forward-looking information such as targets are made as much as possible, and will gradually improve the statistical process to achieve full disclosure in the future.

Balance: This report objectively, fairly and truly discloses the Group’s work performance and practice in environmental and social matters in 2023, and discloses the problems encountered and improvement measures in a responsible manner.

Consistency: The Group follows a consistent statistical method for disclosure. In this report, we have maintained the same statistical method for the information as disclosed in the previous year’s report.

Access to and Feedback on the Report

This report will be published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the official website of the Group (<http://www.lvchengfuwu.com>). Please share via email (ir@lvchengfuwu.com) your thoughts and suggestions on our ESG Report or our ESG performance.



About the Group

Group Overview

Greentown Service's headquarter located in Hangzhou, Zhejiang Province, and is a digital, platform-based and ecological modern service enterprise with property services as its foundation, living services and urban services as its two wings, and intelligent technology as its engine.

Corporate Culture

For more than 20 years, Greentown Service has adhered to the core values of "Sincerity, Goodwill, Delicacy and Perfection" in providing humanistic services to property owners and has been highly recognised by the industry. For many years, the Group has been awarded the "Top 100 Satisfaction Leading Enterprises in China's Property Services" and other awards.

Awards and Honours



2023 Top 100 Brand Property Influential Management Companies in China

2023 Top 100 High-quality Service Property Management Companies in China

2023 Leading Property Service Quality Companies in China

2023 Top 10 Property Management Companies in China



2023 Independent Operative Leading Companies of China in Property Service

2023 Top 10 Companies of China in IFM-Facility Management

2023 Leading Companies of China in Residential Property Service

2023 Best Strategic Partnership Award for School-Business Co-operation

Message from the Leadership

Dear Friends of Greentown Service,

In the past year, guided by the strategy of the four protection projects of security, maintenance, environment and greening; the four happiness plans of recreation, learning, joy and longevity; the four new directions of non-residential, consulting, marketing, and housing 4S; and the four major management areas of property management, finance, operations and digitalisation, the Greentown Service team forged ahead in providing services related to parks, cities, villages and many other fields. We have defined goals and divided tasks to ensure that every step we take is solid and powerful. Driven by services, we are diligently stepping towards a better future.

Green Ecosystem and Harmony with Nature.

High-quality services rely on a good environment. That is why we closely monitor our performance in environmental protection and advocate the concept of green ecosystems in the course of our services. We implement high standards and strict requirements in park greening, city cleaning and many other areas of our services to ensure owners and customers live in a pleasant environment.

Practising Inclusion to Create Value Together. We have been adhering to the concept of harmony and inclusion in social services. During the year, our commitment to social responsibility has been exemplified by the heroic stories of the order maintenance team, the outstanding performance of the Asian Games service team, and the co-governance and mutual neighbourhood help advocated for by the community lead team. We are active participants in the co-construction of our communities and work closely with owners to cultivate harmonious and beautiful neighbourhoods.

Innovation, Upgrading and Diverse Development.

In terms of service diversity, we constantly innovate and upgrade our service portfolios to keep up with the latest trends. Through industrial cooperation and service diversity, we have widened the field of our services and formed a matrix of non-residential products. We focus on providing owners and customers with all-round, full-cycle service solutions that are systematic and comprehensive.

Upholding Diligence and Goodwill to Create Caring Communities.

In the past year, we made improvements alongside millions of owners and experienced countless touching moments. We are proud of these moments, and they give us the confidence to move forward. Diligence and goodwill are what drive us, and they form the cornerstone for our effort to establish deeper emotional bonds with the owners.

Collaborating to Create Brilliance.

Going forward, we will continue to treat all people with sincerity and pursue development together with our stakeholders and business partners. We plan to colour the skyline with our commercial skyscrapers, promote rail station development, empower new industry parks and boost innovation. Over the course of these efforts, we will adhere to ESG concepts and promote the Group's coordinated development in terms of the economy, society and environment.

I would like to extend my gratitude to all our employees for their hard work and selfless dedication and thank all stakeholders and business partners for their trust and support. Together, we are working diligently to deliver a future with more opportunities and brighter prospects. In the year ahead, we will continue to focus on diversifying our services, improving service quality and enhancing our capabilities, with the goal of providing owners and customers with a unique service experience.

Yang Zhangfa
(Chairman of The Board)

April 2024



Table of ESG KPIs

Market



17,390

Operating income
RMB17,390 million

1,296

Core operating profit
RMB1,296 million

30 provinces and 204 cities

Operation covering 30 provinces
(municipalities and autonomous regions)
and 204 cities

3,105

3,105 managed projects

448, 16.7%

448 million square metres under
management, 16.7%
year-on-year growth

371

Reserve area of 371 million
square metres

Social



46,023

46,023 employees as at the end of
the Reporting Period

51.1%

Percentage of female employees
is 51.1%

1,361

1,361 AED certified personnel

35,759

35,759 employees covered by
various safety activities

Certified

under the GB/T45001-2020/
ISO45001: 2018 occupational health
and safety management system

53.6

The average length of training for
employees is 53.6 hours

Environment



Certified

under the GB/T24001-2016/
ISO14001: 2004 environmental
management system

Certified

under the GB/T 23331-2009/
ISO50001: 2018 energy
management system

42

42 projects implemented with
solar power systems and solar
water heating systems

216

Rainwater reuse or water reuse
systems were implemented
in 216 projects

* All the above are as at the end of 2023 or the current year 2023.

Board of Directors Statement



The Board of Directors (the “Board”) of Greentown Service assumes full responsibility for the Group’s ESG strategy and reporting, is responsible for assessing and determining the Group’s ESG risks, and ensuring that Greentown Service establishes appropriate and effective ESG risk management and internal control systems.

Adhering to the core values of “Sincerity, Goodwill, Delicacy and Perfection”, Greentown Service has been paying special attention to corporate sustainability, and has established a robust ESG governance system led by the Board which is responsible for reviewing and making decisions on material ESG issues, such as identifying and assessing ESG-related risk, developing ESG-related strategies and policies, drafting management policies and plans, reviewing and considering ESG targets management, enhancing ESG disclosure and approving the annual ESG report.

In view of the external environment and the Group’s strategy, the Group conducted surveys of external and internal stakeholders during the Reporting Period to identify material ESG topics and determine ESG focus, including sustainability management, employee benefits and compensation package, employment management and labour standards, training and development, occupational health and safety, quality customer service, information security and privacy protection, customer health and safety and intelligent properties. We focus our review and performance enhancement on the above topics in our daily operation and manage these targets accordingly. Going forward, the Group will continue to align our management strategy and promotion of sustainable development with stakeholders’ expectation and the Group’s actual operation to enhance the sustainability.

This Report discloses Greentown Service’s ESG progress and performance in 2023. The Board, as the highest responsible and decision-making body for ESG matters, ensures that the contents of this report do not contain any false statements, misleading statements or material omissions and accepts full responsibility for the truthfulness and accuracy of its contents.

Topic: Safeguarding the Asian Games to Serve with Confidence

In October 2023, the 19th Asian Games and the 4th Asian Para Games were successfully concluded in Hangzhou. Using sports as a bridge, Hangzhou delivered to the world a great event that is distinctly Chinese, uniquely Asian and spectacular, leaving lasting memories of the Asian Games, Hangzhou, and China, and showcasing the glorious Asian civilisation.



Offering Support Alongside Our Partner

There was a team of busy Greentown people, supporting the event alongside our partners. As the property service provider of the “two villages and one zone” (the Athletes Village, the Media Village, and the International Zone) of the Asian Games, the accommodation service provider of the Athletes Village of the Asian Games and the Asian Para Games, and the service provider of several event venues, more than 3,000 employees were actively supporting the event either at the frontline or in their supporting role. Their ordinary but thoughtful services demonstrated Greentown’s confidence and a unique Asian style.

Unlike the National Games, in which Greentown Service has been involved in the past, Hangzhou Asian Games is the largest sports event in Asia. As the largest non-competition venue, the Asian Games Village offered accommodation, catering, transportation and medical services for athletes and team officials, technical officials and journalists from Asian countries, and the property management was more complex and challenging. We have made full preparations to meet these challenges.



“People-oriented” Approach to Improve the Experience of Door-to-door Maintenance

Athletes and participants came from all over Asia and the world, they may have different cultures and customs which our door-to-door maintenance staff should respect. Greentown Service has stayed true to its “people-oriented” service aspiration, and the maintenance and repair (M&R) centre set relevant rules to improve the service experience within the Asian Games Village.



Maintenance request placement

Four Questions to be asked when receiving a maintenance request

Location;

Time;

Items to be maintained;

Special precautions (for example, female maintenance personnel to provide service if the requestor is a female).



Door-to-door maintenance

Strict door-to-door maintenance process;

Conduct training on customs of various Asian countries;

The maintenance workers were accompanied by the accommodation service personnel;

Staff were not allowed to communicate freely when they were at the athlete’s room.

Multi-party Collaboration in Response to Emergencies

The Asian (Para) Games Village is the focus with the highest concentration of operation risks and attracted highest level of attention. This was particular the case during the Asian Para Games, there were frequent records of SOS alarm devices being activated, and the occurrence of emergencies in the village. To deal with the challenge, Greentown Service developed a risk prevention and emergency plan, established a professional emergency support team and a multi-party collaboration mechanism for emergency response, under which the operation team, the medical centre, and the property management and accommodation service team worked together to ensure the orderly operation of the emergency plan.

Greentown Service cherishes every dream of the Asian Para Games

During the 4th Asian Para Games, athletes in the Asian Para Games Village carried with them bulky luggage of disability assistive devices and assistive devices for competition (such as competition wheelchair, removable replacement wheel), these devices were not to be squeezed, bumped, or stacked, there were also luggage in unconventional shape, and it is crucial to ensure the safe transportation of every athlete’s luggage.

Facing this challenge, our engineering increased the number of personnel to support the transportation team in ensuring the safe, intact and timely transportation of all athletes’ luggage, demonstrating Greentown’s core value of “sincerity and goodwill” as we cherish every dream of “championship”.

Topic: Safeguarding the Asian Games to Serve with Confidence

Strengthened Personnel Management Training

The maintenance and repair (M&R) team consisted of personnel from various departments, there were differences in respective work requirements and standards at each unit. To ensure the smooth performance of various procedures during the Asian Games, Greentown Service strengthened personnel management training.



▲ Intensive training



▲ Cross training



▲ Daily training



Strengthen the event service system:

a complete event service system for each department, an event risk prevention and control and emergency response plan for each department, a Standard Operating Procedures (“SOP”) for each line of events, a job manual for each line of employees, and an operation plan for each business field designated for the Asian Games Village project were formulated beforehand to ensure strict implementation of all event services in accordance with the standards.

Improve the engineering training system:

a pyramid teaching model was adopted for daily, special and intensive training. Through multiple rounds of full-coverage training and assessment, training status of personnel who did not pass the assessment was tracked in real time to ensure that all engineering personnel had the required knowledge and special skills.

Logistics Support to Greentown Staff

In view of the long duration of preparation and operation during the Asian Games and the Asian Para Games, Greentown staff were put under great pressure in their lives, work and mental status. We particularly cared for members of the engineering team. For example, we provided meals, accommodation and shuttle bus services, hosted birthday parties, Mid-Autumn Festival celebration and other activities to enrich the life of our staff. We held regular lectures on mental health, and the management visited front-line staff to enhance their sense of belonging and happiness.



The Asian Games, our answer to quality services

From the Hangzhou Asian Games to the Asian Para Games, and from the Hangzhou Asian Games Village to the Asian Para Games Village, to ensure the convenience, smoothness and peace of mind of the “villagers”, regardless of the weather condition, Greentown staff were making their own contribution to the Asian Games Village and the Asian Para Games Village. They have won praise from all sectors of the society with their professionalism, enthusiasm, integrity and commitment.



▲ The “progressing” maintenance and repair (M&R) team

Topic: Safeguarding the Asian Games to Serve with Confidence

The “progressing” Property Engineering M&R Centre

For the smooth running of the Asian Games, all members of the M&R team moved in and started their planning two months before the official opening of the Asian Games. After two months of preliminary preparation including onboard training, orientation, route survey, streamline optimisation, the M&R team identified the best work process after countless drills. The wiring team immediately referred each task to the corresponding sub-team responsible for specific work. With a goal of “arrival within 15 minutes, and completion of maintenance within 30 minutes”, members of the M&R team worked together efficiently to provide high-quality and efficient services for each resident of the Asian Games Village.



▲ The M&R centre staff in work

The SOS emergency team of the Asian Para Games Village provided “hard core” efficient services

Since the pre-opening of the Asian Para Games Village, we set up a special emergency management team for the Asian Para Games, and a 24-hour emergency manager post on day/night shifts to coordinate multiple resources, manage and control the property emergency response within the Asian Para Games Village to improve emergency response efficiency. The emergency support team carried out a comprehensive inspection of the SOS facility in view of the SOS alarm activation in the Asian Para Games Village. We prepared a special flow chart based on the SOS alarm handling process of the operation team of the Asian Para Games and issued the chart to all staff members. When the SOS emergency process was launched, teams work together to optimise the handling process and improve the emergency response efficiency. During the operation of the Asian Para Games Village, we properly and efficiently handled 538 SOS alarms to ensure the smooth running of various events.

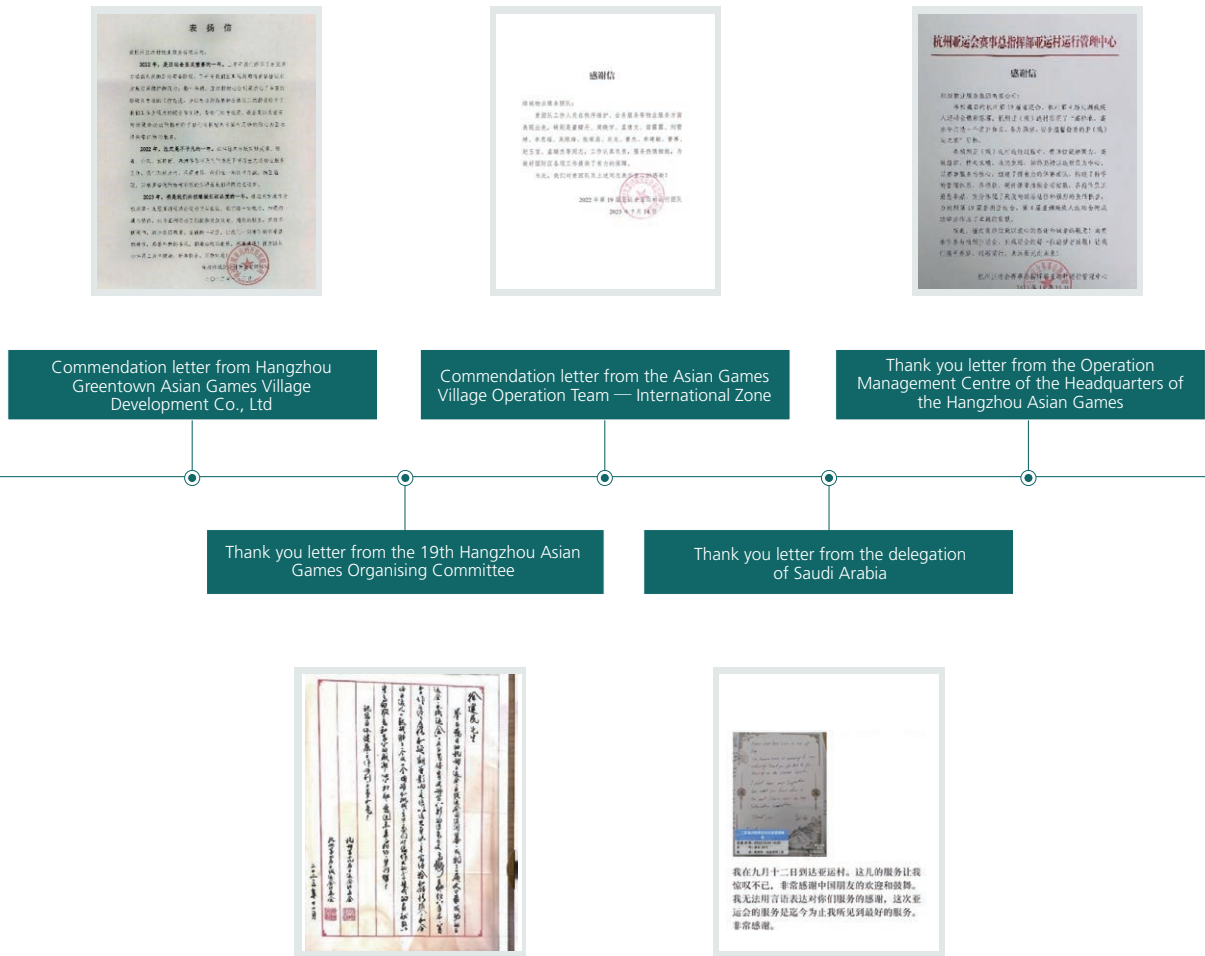


▲ The SOS emergency team of the Asian Para Games Village

Wide recognition

When providing services for the Asian Games, Greentown Service demonstrated excellent standard of professionalism and the awareness of providing meticulous services. With our high-quality services, we received thank you letters and certificates of honour from all sectors of the society, public praise, which have inspired us to continue to provide quality services and a better experience for the community and our customers.

Some of the letters of thanks and commendations are listed below:



Every member of Greentown worked as one at their respective posts of security, fire prevention, transportation, catering, residential services, cleaning, medical and health care, cultural activities, commercial services, concierge reception in the Asian Games Village, to jointly ensure the smooth running of this event. The event is ended now, but the fond memory of happy time in the village will not fade but will spread afar with the footsteps of every athlete and participant.



01

Sustainability Management

Corresponding United Nations Sustainable
Development Goal 17

17 PARTNERSHIPS
FOR THE GOALS









Sustainability Management

Sustainability Targets

The Group continues to review our internal sustainability governance strategy and improve our policies and practices. At the same time, the Group continues to strengthen communication with stakeholders to further enhance the Group's environmental and social performance and create long-term value for the Group's shareholders and other stakeholders.

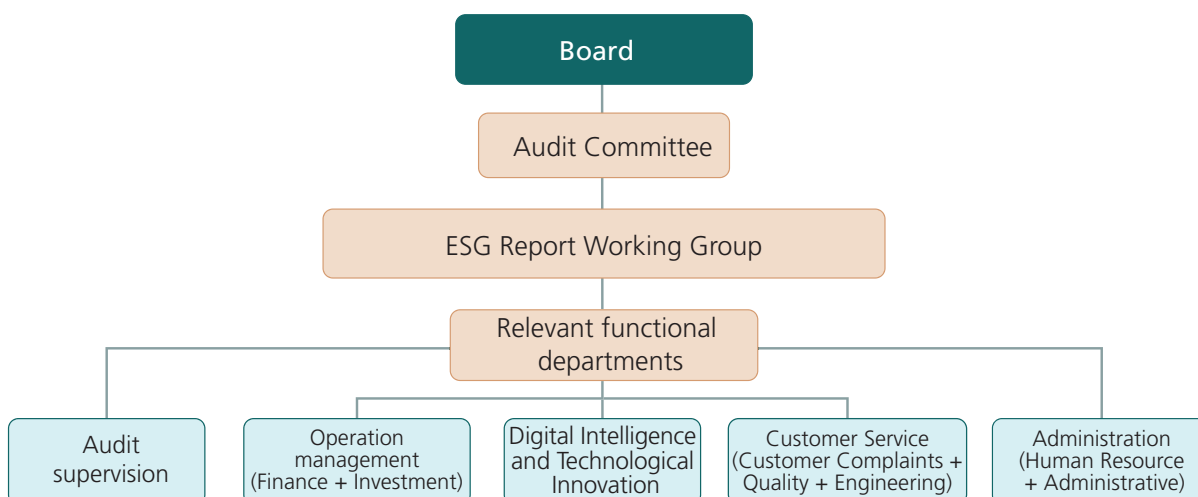
Our Sustainable Development Goals:

| | | |
|---|--------------------------|--|
|  Business | Ethics and governance | <ul style="list-style-type: none"> Conduct business with integrity and in compliance with all applicable laws and regulations to maintain high levels of corporate governance, a high-quality Board, sound internal controls, high levels of transparency and accountability to all stakeholders |
| | Environmental management | <ul style="list-style-type: none"> Regular monitoring of various environmental parameters to minimise related environmental impacts |
|  Environment | Climate change strategy | <ul style="list-style-type: none"> Review the Group's approach to climate change and develop a sustainability plan to identify and address related physical and transition risks and opportunities |
| | Care for employees | <ul style="list-style-type: none"> Provide adequate support to employees and strengthen good relations with employees |
|  Employees | Talent cultivation | <ul style="list-style-type: none"> Foster an environment of continuous learning and encourage employees to develop their careers within the Group |
| | Diversity and inclusion | <ul style="list-style-type: none"> Respect the labour and human rights of all employees, clearly define human resource management policies, and promote a culture of inclusion within the Group |
| | Work safety | <ul style="list-style-type: none"> Promote a healthy and safe working environment Achieve the objective of zero fatal accidents in the workplace |
| | Community investment | <ul style="list-style-type: none"> Cooperate with local charities to support the underprivileged and those in need Provide job and training opportunities for young people |
|  Community | Quality service | <ul style="list-style-type: none"> Improve the quality, safety and environmental benefits of service management through innovative technology, giving owners a better experience Comply with all applicable data protection and cybersecurity regulations and minimise the risk of business disruption from cyberattacks |
| | Responsible procurement | <ul style="list-style-type: none"> Require the suppliers to comply with all aspects of the Group's environmental and social standards, including work processes, products or services, child labour, basic human rights, working conditions, compensation, occupational health and safety, and business ethics |

ESG Governance

The Board of the Group has always assumed the role of group leadership and supervision. The Board reviews and manages environmental, social and governance-related issues and risks every year, and ensures that they are incorporated into the corporate strategy, leading the Group to formulate and achieve long-term strategies and goals. The Group has established an ESG working group to be responsible for monitoring sustainability performance and objectives, reviewing the opinions of stakeholders, and collecting ESG data and information to compile the Group's annual ESG report and report to the Board for approval.

Sustainability Governance Structure of Greentown Service



Stakeholder Communication

The Group's ESG stakeholders mainly include the employees, customers, shareholders, investors and etc. The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the long-term development and success of the Group. The Group actively explores various channels to maintain good communication with stakeholders, to enhance the stakeholders' understanding of the Group's development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Group can provide them with timely and effective feedback regarding their concerns. In this way, the Group ensures that it is cooperating and working alongside stakeholders to achieve mutual benefits.

We consider that listening to, responding to and dealing with the stakeholders' comments effectively and continuously, and what they are concerned, are beneficial to the Group's business development. For this purpose, we have constructed a number of different platforms, including: mobile applications, communication software and websites, to not only allow our stakeholders to share and express their concerns, but also promote a more harmonious neighbourhood relationship and better social custom, so as to build a service ecosystem for the interaction, symbiotic co-prosperity and mutual promotion among property owners, property living service centre, merchants, and users. The Group's operating data and overall performance will be summarised in the Group's interim report and annual report every six months and annually respectively, and will be reported to investors via the Group's website (<http://www.lvchengfuwu.com>).

Sustainability Management

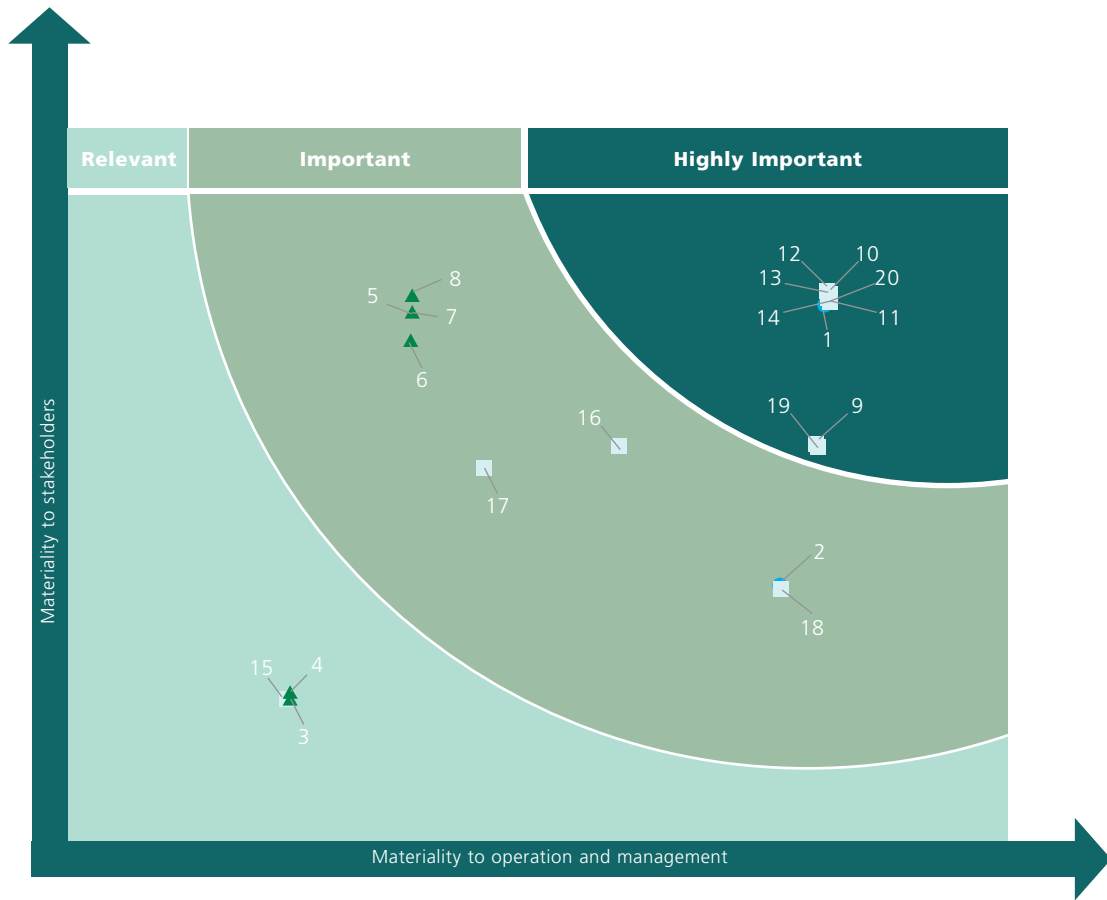
| Stakeholders | Shareholders and Investors | Employees | Customers |
|---|--|---|--|
| Target & focus | <ul style="list-style-type: none"> • Business strategy • Business performance • Protect shareholder's legal rights • Business sustainability • Company transparency | <ul style="list-style-type: none"> • Salaries & welfare • Guarantee of rights and interests • Career development • Safety and health • Corporate culture | <ul style="list-style-type: none"> • Service quality • Instant response • Privacy protection • Customised services |
| Method of communication and exchange | <ul style="list-style-type: none"> • The general meetings • Investors' communication | <ul style="list-style-type: none"> • Customer Supervisor Systems • Employee survey • Enhance information feedback | <ul style="list-style-type: none"> • Customer opinion survey and feedback • Customer satisfaction survey • Customer service centre and complaint hotline |
| Key actions | <ul style="list-style-type: none"> • Hold general meetings regularly • Hold board meetings regularly • Hold meetings with investors • Disclose statutory issues in a timely manner | <ul style="list-style-type: none"> • Enhance trainings for employees in respect of technical skills • Improve living and working environment for employees • Guarantee employees' rights and benefits, and upgrade their welfare level • Health and safety guarantees for employees | <ul style="list-style-type: none"> • Enhancing service quality • Conduct regular customer satisfaction surveys • Respond to client complaints and provide them with feedback in a timely manner • Earnestly protect customer privacy |
| Key performance indicators | <ul style="list-style-type: none"> • Stock value and dividend returns | <ul style="list-style-type: none"> • Employee training • Remuneration and welfare system | <ul style="list-style-type: none"> • Customer satisfaction • Solutions for handling customer privacy cases |

Materiality Assessment

To have a better understanding of stakeholders' expectation on our environmental, social and governance, the Group has conducted various communication and materiality assessment with stakeholders, including survey sent to the management, external and internal stakeholders. In accordance with "Material Issues" formulated by the Sustainability Accounting Standards Board (SASB), and based on the analysis and summary of the results of the materiality assessment of ESG issues from all stakeholders, we formed the following materiality assessment matrix, which is prepared in considering the stakeholders' focus on corporate operations and environmental and social governance and in accordance with the *Environmental, Social and Governance Reporting Guides*. The Group focuses on areas such as sustainability management, employee benefits and compensation package, employment management and labour standards, training and development, occupational health and safety, quality customer service, information security and privacy protection, customer health and safety, and smart properties.

We have taken four steps to conduct materiality assessments:

| | |
|-------------------------------|---|
| Identification | <ul style="list-style-type: none"> • Refer to the ESG Reporting Guides of the Stock Exchange, the Group's policies and management strategies, industry characteristics, and business risks and opportunities to identify the most relevant and material ESG issues to the Group's business and stakeholders. |
| Collection of opinions | <ul style="list-style-type: none"> • Conduct a survey and invite stakeholders including the management, employees, suppliers and customers, shareholders and investors to evaluate the materiality of each issue from their own perspectives. |
| Prioritisation | <ul style="list-style-type: none"> • Screen out material issues, prepare a materiality assessment matrix, and obtain preliminary assessment results, so as to determine the strategic focus of sustainable development and improve sustainable development governance. |
| Confirmation | <ul style="list-style-type: none"> • The evaluation results will be discussed and confirmed by the ESG working group, and the materiality assessment results will be finalised and reported to the Board. |



Greentown Service's 2023 Material ESG Issues

Highly important

- | | | |
|---|---|--|
| 1. Sustainability management | 9. Employment management and labour standards | 10. Employee benefits and compensation package |
| 11. Training and development | 12. Occupational health and safety | 13. High-Quality customer services |
| 14. Information security and privacy protection | 19. Customer health and safety | 20. Intelligent property |

Important

- | | | |
|--|--|-----------------------------|
| 2. Anti-corruption | 5. Water management | 6. Energy utilisation |
| 7. Impact on the environment and natural resources | 8. Climate change | 16. Supply chain management |
| 17. Intellectual property protection | 18. Community development and charity activities | |

Relevant

- | | | |
|----------------------------------|------------------------------|---------------------------|
| 3. Greenhouse gas (GHG) emission | 4. Waste emission management | 15. Responsible marketing |
|----------------------------------|------------------------------|---------------------------|



02

Compliance Governance and Operation Integrity

Corresponding United Nations Sustainable
Development Goal 16





Compliance Governance and Operation Integrity

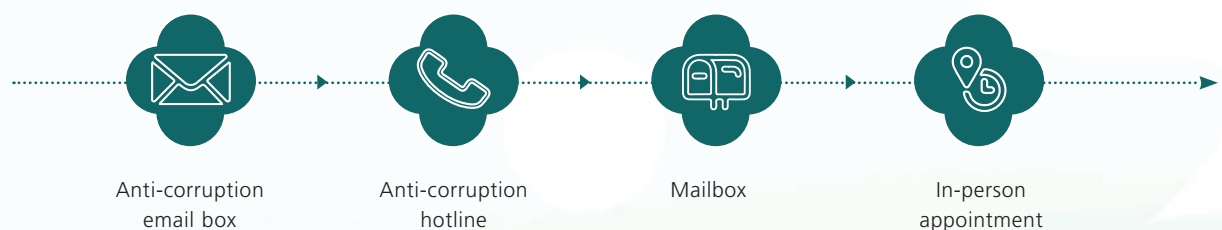
Business Ethics and Risk Control

Greentown Service has been adhering to laws and regulations of the state and regulators, and the “Chairman’s Prohibition Order”, the “Anti-fraud Management Measures”, the “Self-discipline Code of Conduct for the Management”, the “Management Measures for Posts Responsible for Investment Declaration”, the “Gift Money and Gift Card Management Measures”, the “Employee Handbook” and other internal policies. With the purpose of strengthening awareness and controls, the Group has implemented various control measures to promote centralised management of corporate risk within the Group and established a risk management and internal control system. Directors, senior management and other employees of the Group who have or may have conflict of interest are required to report and fill in a form to declare conflict of interest. The Group reports these declaration forms filled in by employees for tiered approval, and where further investigation is required, additional explanation will be requested from the declaring party and further investigation will be conducted by the Audit and Supervision Centre. The Group has issued the “Management System for the Protection of Trade Secrets” to strengthen system control, implement publicity education, and safeguard the Group’s lawful rights and economic interests.

The Group adheres to the principles of voluntary participation, equality, fairness and integrity, strictly abides by the *Anti-monopoly Law of the People’s Republic of China* and other relevant laws and regulations on maintaining fair market order and safeguarding interests of consumers and the general public. The Group guides and regulates the behaviour of our employees in daily work to maintain orderly management of business, prevent frauds that damage the Group’s interests and improve work efficiency and effectiveness. During the Reporting Period, all employees of the Group participated in the training on the “Chairman’s Prohibition Order”.

The Group has established a reporting mechanism and related reporting channels. All employees, partners with which the Group companies have direct or indirect business dealings, and external stakeholders (e.g., customers, suppliers) can report all fraud-related issues including employees’ violation of the “Chairman’s Prohibition Order”, the “Employee Handbook” and the “Self-discipline Code of Conduct for the Management”.

Reporting forms: Anti-corruption email box, anti-corruption hotline, mailbox, in-person appointment. In 2023, the Group established a horizontally connected comprehensive and efficient reporting system. This system closely integrates the Chairman Mailbox with the customer service hotline, forming a strong force of internal supervision, it also ensures smooth communication and cooperation between various departments and particularly with the administration function.



The Group has taken a series of measures to protect whistleblowers:

ID information:

There are policies and measures to keep whistleblowers' ID information in strict confidentiality and will not be disclosed to anyone outside the Audit and Supervision Centre.



Investigation of reports:

Access to investigation information related to reports is limited to the Audit and Supervision Centre, so that the reports will not be made public.

Prohibition on retaliation:

Any form of retaliation against the whistleblower is strictly prohibited and is subject to severe punishment in accordance with national laws and regulations and the Group's policies. Those who violate the law will be held legally liable.



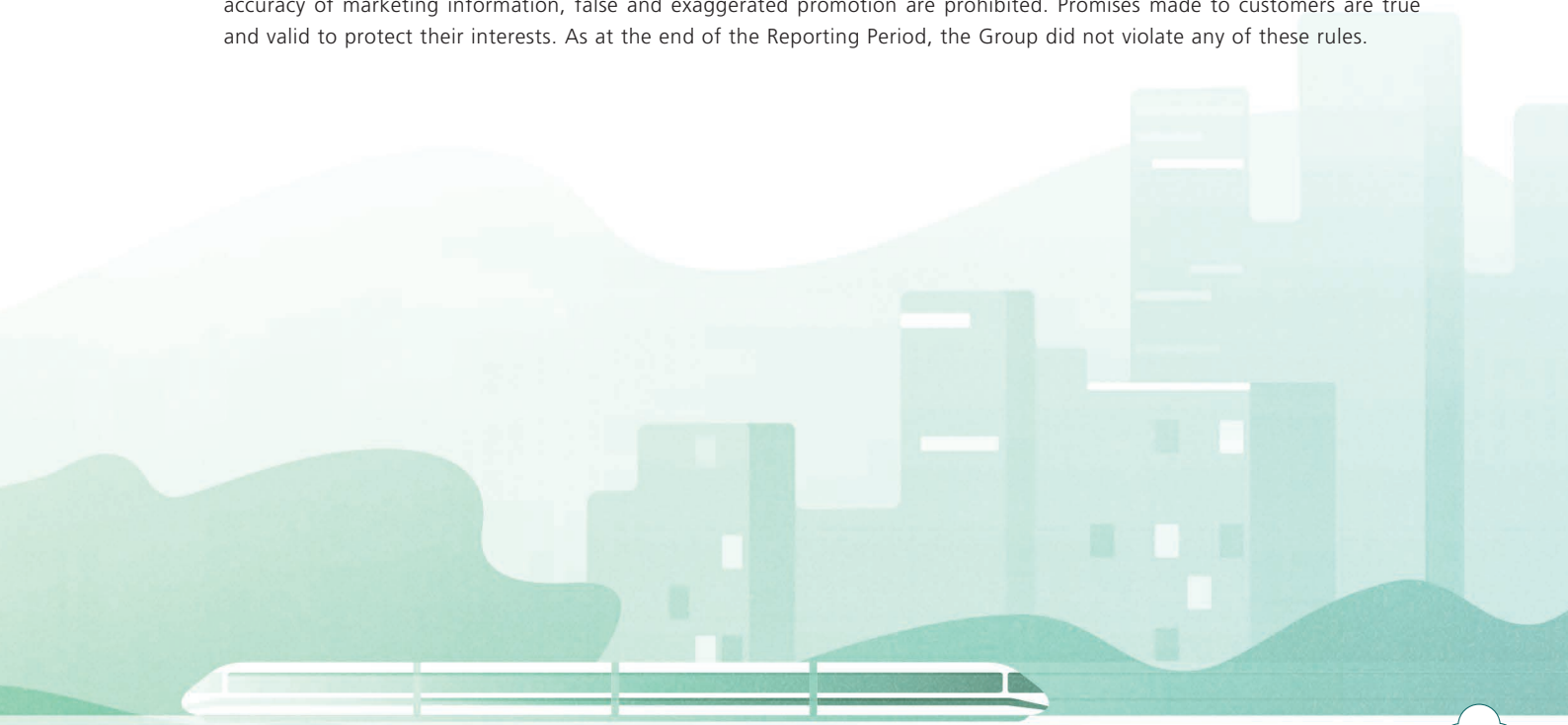
Rewards to whistleblowers:

A whistleblower's name and position should be kept confidential subject to his or her consent.

Whistleblowers who suffer from any form or any degree of retaliation can report to the Audit and Supervision Centre as soon as possible, and the Audit and Supervision Centre will take protective measures accordingly.

Responsible marketing

In accordance with the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other relevant laws and regulations, the Group puts responsible marketing into practice. In 2023, it released the "Greentown Service Brand Management Standard", the "Greentown Service Public Opinion Management System" and the "Social Media Operation Management Measures", these rules were simplified to the "Brand Use Specification" for staff publicity and education. All business segments and projects under management are required to ensure the authenticity and accuracy of marketing information, false and exaggerated promotion are prohibited. Promises made to customers are true and valid to protect their interests. As at the end of the Reporting Period, the Group did not violate any of these rules.



Compliance Governance and Operation Integrity

Integrity and Anti-corruption

The Group strictly complied with the relevant laws and regulations on prevention of bribery, extortion, fraud and money laundering, such as the *Law of the People's Republic of China Against Unfair Competition*. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

In order to create a good corporate atmosphere, guide and regulate the daily work behaviour of the Group's employees, with the aim of maintaining normal operation and management order, preventing fraudulent acts that are detrimental to the Group's interests and enhancing efficiency and effectiveness, all the Group's employees are required to sign the "Letter of Commitment to Professional Behaviour". The "Letter of Commitment to Professional Behaviour" sets out the signatory's solemn commitment to professional ethics and professional track records, and the signatories promise their strict compliance with all disciplines, rules and regulations formulated by the Group. During the Reporting Period, the Group issued the "Management Letter of Commitment to Self-Discipline", covering all levels of management with managerial functions. We encourage the management to act as a role model in creating a workplace of integrity and ethical conduct within the Group.

To report fraud cases, the Group has formulated well-defined regulations: all fraud cases, regardless of their scale, must be reported in a timely manner. In addition, to further strengthen the supervision and handling of fraud, the management will be accountable for late reporting and concealment, to ensure timely and comprehensive detection and handling of fraud cases to improve the integrity and compliance of the entire organisation.

In case of acts violating rules and disciplines, we adopt hierarchical assessment to classify the severity, which is divided into direct responsibility (direct decision-making, organisation, planning, incitement, manipulation, implementation and other behaviours), management responsibility (employees who are accountable to the directly responsible person with their functional or business management responsibilities), and leadership responsibility (employees who are accountable to the management responsible person with their functional or business management responsibilities), and subject to a series of disciplinary actions of serious warning, demerit, demotion or dismissal.

Internal audit is key to protecting the Group's interests and long-term development, through in-depth and comprehensive review and assessment, we can accurately identify potential risks and issues, and then propose practical solutions and management optimisation measures.

During the Reporting Period, we followed the principle of hierarchy under which, the Group led the internal control supervision of 5% of the projects. Group members have maintained 100% self-inspection of all projects, and at least 30% of projects are subject to spot checks to ensure full-coverage check every three years.

We regularly organise anti-fraud publicity campaigns for the entire Group, collect the latest anti-fraud information, including recent major fraud incidents in various industries and handling measures, analyse and compile anti-fraud publicity materials in alignment with the Group's business, and distribute them to all employees for self-study to create an environment of integrity in the Group.

In 2023, the Group conducted the following anti-corruption training and activities:

"Internal Control Supervision" and the "Anti-corruption Month"

- Launch the "Internal Control Supervision" activities. The internal control inspections were carried out in three forms of self-inspection, spot check and patrol inspection. A total of 1,094 projects were inspected at the group member/group level, to effectively improve risk prevention and control capabilities and reduce fraud opportunities. The Group has completed 139 projects through patrol inspections to identify and rectify deficiencies, reinforce early achievements and deepen the inspections.



Training activities

- "Learning about Integrity, understanding its principles, establishing its foundations, and safeguarding its boundaries" for the April Anti-corruption Month. This activity aimed to promote a culture of honesty and integrity, fostering a clean and upright working environment. A total of 61,288 people participated in the training sessions to learn about anti-corruption management policies and systems, and all participants achieved a 100% pass rate in the final exam.
- Develop the "Special Course on Internal Control" and require all employees to participate, a total of 61,288 person times were recorded.
- Develop the "Anti-corruption Question Bank" for all employees to deepen their awareness of risk control.
- Organise an essay contest on the anti-corruption theme, improve employees' anti-corruption awareness by arranging for film watching and book reading on the relevant topic. The best articles will be selected and recommended for reading within the Group.



As the April “Anti-corruption Month” activities launched, multiple channels for publicity and implementation have been established to help employees form right values and work attitude and purify the internal management environment. Through the special “four internal control inspections”, recurring internal control deficiencies can be solved promptly to minimise the risk of fraud after self-inspection, mutual inspection, random inspection and general inspection. These training and special activities has enhanced the staff’s recognition of and response to anti-corruption, providing long-term assistance for the continuous improvement of internal control.

Information Security and Privacy Protection

Robust maintenance and management of property owners’ privacy is key to long-lasting mutual trust and friendship. The Group has formulated and issued the “Data Management Measures” and “Management System for the Protection of Trade Secrets” to specify the responsible party within the Group and lay down detailed requirements on data collection, storage and utilisation in accordance with the *Cybersecurity Law of the People’s Republic of China*, the *Personal Information Protection Law of the People’s Republic of China* and the Group’s status of business development. Any use of controlled data is subject to the signature of a “Data Security and Confidentiality Agreement”. Data security management is classified into A, B and C tiers to exert strict control over the use of classified data.

Management framework

During the Reporting Period, the Group established a management framework for information security and privacy protection, and recognising the Group chief executive as the most responsible person, to ensure the smooth implementation of information security and privacy protection.

The Group has certified four systems under a tiered system, including the Smart Park system, the Lanling OA system, the Greentown Buy (綠誠購) procurement platform, and the archive system. Among them, the Smart Park system is a Grade A system, which has been certified for Level III security. The Lanling OA and the Greentown Buy are Grade A systems, which have been certified for Level II security, while the archive system is a Grade B system, which has been certified for Level II security.

Governance structure

Responsibilities



Data Security Leadership Group

- Make key working decisions related to the Group’s data security.
- Implement the guidelines and policies of national authorities on data security.
- Formulate and organise the implementation of the overall plan for data security construction and development.
- Direct, coordinate, supervise and review the handling of major data security incidents.



Data security management team

- Implement the resolutions passed by the Data Security Leadership Group.
- Implement the data security requirements of national authorities and the Group, and the specific requirements of the local office of the Cyberspace Affairs Commission on the Group’s data security work.
- Implement the Group’s data security work, and supervise, assess, guide and approve the data security work of the Group’s departments.

Compliance Governance and Operation Integrity

During the Reporting Period, the Group further upgraded the data security protection, the Digital Innovative Centre developed a data security structure with well-defined responsibilities. The Group prepared the “Emergency Plan for Data Security Incidents” for interruption or significant decline in the performance of databases, application software systems and business private networks, information system infection, hacker attacks on applications/websites, fire fighting and personnel evacuation in the computer room of the Information Network Centre, interruption of external power supply to the computer room of the Information Network Centre, and the occurrence of natural disasters. At the same time, the “Data Backup Management System” is prepared to standardise the daily management of the information system data backup, improve the availability and reliability of the information system, and ensure that the backup data can be recovered and used after the Group’s information systems were damaged and the data lost under extreme conditions.

During the Reporting Period, the Group hosted standard training on data privacy management, and invited professional lawyers to deliver online lectures on the “Role of Data Compliance in Property Management Services” for all employees. The Group has also developed the “Data Security and Data Construction Management”, the “Data Construction Requirements Specification” and other training courses in view of its own business practice to provide offline seminars and e-training courses covering all employees. In addition, we invite external institutions to conduct IT audit on network security every year.

Digital Greentown Integrated Digital Management Platform

Digital Greentown Integrated Digital Management Platform translates Greentown Service’s central intelligence into a platform based on data, management and operation that integrates data resource, management, application supported by business demand, and customer demand analysis and outreach.

The Group generates operation logs through the operation of the database, strictly monitors the operation process, promptly handles and reports data security issues identified, and has established a system for emergency recovery and data traceability mechanism in the event of data damage or loss.

To illustrate with the example of abnormal inspection, Digital Dashboard sends abnormal task reminders to front-line project managers. Irregular operation of employees is subject to the reward and punishment mechanism to effectively control the performance of stewardship inspections and engineering inspections. Optimisation of inspection points, inspection content and control of the inspection process for operational process settings.



Applications platform management

To ensure the security of personal information on the applications platform, the Group has formulated the following policies, mechanisms and specific measures:



Establish the core concept of personal information protection: principles of lawfulness, legitimacy and necessity are well defined to protect personal information, and users are clearly informed of the purposes and methods for collecting and using personal information when their information is being collected and used.



Formulate detailed regulations on the collection and use of personal information: formulate strict policies on the collection and use of personal information, and clarify the purpose, scope, method and duration for collecting personal information. Personal information can only be collected and used with the explicit consent of the user.



Strengthen the all-round management of information security: various measures have been taken to ensure the security and integrity of personal information, including encryption, backup storage, real-time monitoring and regular risk assessment of personal information.



Real time update and revision of policies: personal information protection policies are updated and revised in a timely manner to keep up with the latest development of information technology and the changing laws and regulations. Users are notified in time when there are major changes to ensure that their rights and interests are not affected.



Firmly defend users' rights and interests: users are provided with information access, correction, deletion and other rights to ensure the confidentiality, integrity and availability of their personal information.



Designate person in charge of personal information protection and disclose the contact information to users to ensure that users can contact us in time when they have any problems. We have opened complaint/suggestion channels in place that are open to users' supervision and suggestions.

In 2023, the Group optimised and reconstructed the "Home", "Housekeeper" and "My Profile" pages of Greentown application to make it more intelligent, user-friendly and focused. After the optimisation, the Home page features intelligent recommendations, the Housekeeper page highlights interaction, and the My Profile page features real-time progress. The daily active users (DAU) of the application increased before optimisation. In addition, we streamlined the core functions of the property management and created an applet for owners, and more than 200,000 owners have used the applet. For the convenience of the elderly, the Greentown Life application launched the elderly version to streamline home page, strengthen mainstream functions, enlarge text buttons, and simplify operation steps to help elderly users get familiar with the operation and promote inclusive development and product accessibility.





03

Strong Accountability and Customer First

Corresponding United Nations Sustainable
Development Goal 4, 5 and 8





Strong Accountability and Customer First

Assuring Owners with Excellent Quality

Greentown Service has adhered to the core values of "Sincerity, Goodwill, Delicacy and Perfection" in providing a quality service to property owners.

Improving service quality

We use telephone, application, SMS and other media to conduct owner satisfaction surveys, including:



China FG's satisfaction survey is regarded as an impartial third-party survey for our performance appraisal in order to promote the continuous improvement of the service quality of the projects under management. As at the end of the Reporting Period, the score of China FG's satisfaction was 89, increased by 4 points from the year before.

In 2023, the Group continues to focus and to identify customers' pain points, accelerate the solution of problems, and win positive feedback from owners. We collected client's opinions in a timely manner for improvement, and promoted long-term cooperation through visits and in-depth exchange after the survey. As at the end of the Reporting Period, all the owners' opinions and suggestions collected by our surveys were sent to respective projects for handling and follow-up in the form of 95059 ticket. At the end of each quarter, the opinions and suggestions collected by online surveys are handled in the form of experience insight reports, in which problems and weaknesses in services are thoroughly identified and transferred to the region for rectification. The annual Greentown Service Group Owner Satisfaction Survey Report is finally generated from the satisfaction surveys, which identifies problems related to properties, parks and real estate development from the owners' opinions and suggestions collected from the surveys, and provides the corresponding business lines data analysis to develop better services and products.

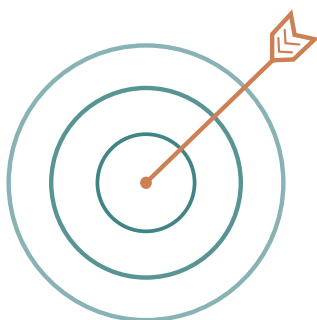
Enhanced customer communication

During the Reporting Period, the Group received customer complaints via Chairman Mailbox, media forum, official WeChat account, visit, letter, Greentown Life application, 95059 hotline, 95059 mailbox and other media. As at the end of the Reporting Period, we received a total of 27,565 valid complaints, and the response rate of complaint was 100%. The Group ensured that tickets are handled in a closed-loop through closed tickets, closed ticket assessment and revisits.

The Group has well-defined requirements on the procedures and time limit for handling customer complaints and initiates improvements and upgrades based on customer complaints. Within 48 hours of the ticket dispatch, the project manager is required to submit the data before and after the rectification, and the Group reviews the data and revisits the owner to complete the closed-loop. Repeated complaints will be escalated. In addition, we analyse issues based on the Group satisfaction survey each quarter, and the expert team will include issues in the list of concern to focus our supervision and attention on issues not rectified in time.

The Group has set planned and quantified metrics and targets for customer services, including:

✓ Satisfaction goals in short-term, medium-term and long-term:



1. In the short-term, the survey should be more insightful. For example, the survey questions should clearly refer to a specific service sector.
2. The medium-term goal is to focus on the qualification rate of satisfaction survey at the city level under a tiered system, and strictly control the projects with the lowest score while implementing differentiated management.
3. The long-term goal is to regard satisfaction as the baton of customer demand, to drive product optimisation and upgrade, and optimisation and iteration of the standard system.

| Category | China FG satisfaction rate | Complaints/ 1,000 households | Satisfaction rate of responsible unit | Timeliness rate |
|---------------------------|----------------------------|------------------------------|---------------------------------------|-----------------|
| 2023 targets | ≥88 points | ≤2‰ | ≥96% | ≥93% |
| Completion status in 2023 | 89 points | 1.2‰ | 99.20% | 97.23% |

Strong Accountability and Customer First

Guaranteed service quality

We have taken a series of measures to ensure the continuous improvement of customer service quality:

| | | | | |
|--|--|---|--|---|
| | <p>Launch Service Quality Improvement Month activities in May and October every year</p> | <p>Carry out special greening and cleaning actions each quarter throughout a year</p> | <p>Annual owner four seasons park activities</p> | <p>Activities unique to children of property owners, such as the "Dolphin Program" and the "Wooden Lotus Project"</p> |
|--|--|---|--|---|

In terms of quality supervision, for projects with poor performance in customer service aspects, the Group carries out strict project supervision and empowerment every year to revamp unqualified projects.

In the future, we will continue to improve customer services, pay attention to the balanced development of quality, provide services of value for money by improving regional and urban satisfaction, enrich the service content of special parks, create a product benchmark and promote the implementation of the Greentown Happiness Land co-governance model.

Improving the environment

In response to seasonal changes, we tailored four initiatives, namely, "Breeze Action" in spring, "Sunny Action" in summer, "Golden Action" in autumn and "Overwintering Action" in winter.



Breeze Action

At the beginning of spring, the Group launched the "Breeze Action", and issued the "Plan for Rejuvenation of Frozen Seedlings", the "Technical Solution for Replanting Seedlings", the "Technical Solution for Sowing and Greening", the "Technical Solution for Fertilisation in Spring", and carried out the work of replanting and greening in the best reseeding season of seedlings. Include weed control, to reduce the annual weed base; turf drilling and rejuvenation to prevent turf degradation; special fertilisation to lay a good foundation for seedling growth.



Sunny Action

The Group launched the "Sunny Action" in summer. The "Technical Solution for Improving the Efficiency of Irrigation and Drought Resistance Equipment" and the "Technical Solution for Preventing Typhoon, Rainstorm and Falling of Seedlings" were issued to reinforce and prune trees in advance to prevent trees from falling caused by typhoon and sudden heavy rain. For serious tree fall, immediate action should be taken to rectify and restore according to the disaster relief plan. Serious drought is likely to occur in summer, so the Group made central arrangements for measures such as improving the efficiency of sprinkler irrigation equipment, and asking staff members to work at night to water the plants.

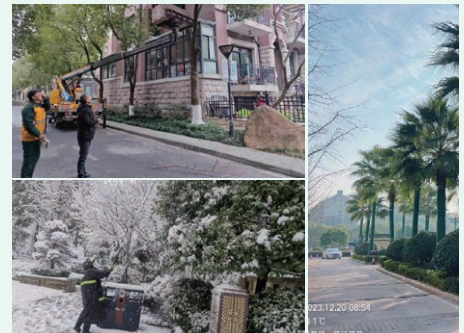




The Group launched the “Golden Action” in autumn and issued the “Technical Solution for Creating Small Landscape” and the “Technical Solution for Intercropping of Winter Grass” to highlight beautiful landscape and greenery in the parks.



The Group launched the “Overwintering Action” in winter. Under this Action, the “Technical Solution for Protecting Greenery Against Low Temperature” was issued. Climate conditions in the southern, central and northern China differ, so classified measures against low temperature were taken. In the winter of 2023, blizzard disaster occurred in Henan and Shandong. All greening staff worked overtime to remove snow and effectively reduced environment-related losses.



Eliminating safety hazards

Every year, the Group conducts safety education for children of property owners, such as the “Dolphin Program” and the “Wooden Lotus Project” during the summer. “Dolphin Program” is to provide kids of owners with swimming training for free to avoid drowning, “Wooden Lotus Project” is to provide a safety education summer camp for children to enhance the fire safety awareness of young children and improve their ability to prevent and resist fires. In August 2023, the Group organised the 7th season of the Wooden Lotus Project with the theme of “Wooden Lotus, Safety for Children”. Over the past seven years, the “Wooden Lotus Project” has started in Hangzhou and moved to 24 provinces, 127 cities and more than 1,000 parks across the country. The content of the programme is constantly expanding, including fire safety, traffic safety, network safety, water life-saving drills, anti-fraud and anti-lost drills, etc. Brings more than 60,000 small owners more knowledge and skills of safety protection. In 2023, 243 projects under Greentown Service launched the “Dolphin Program”, about 14,000 children participated in the program. We also recruited volunteers to act as Happiness Land leads to conduct daily patrols. A total of 1,946 volunteer leads were recruited to conduct 3,527 patrols of swimming pools.

The Group has joined hands with the Hangzhou Public Security Bureau to form a voluntary, unpaid “Vigilante Alliance” social welfare organisation to build a firewall to protect the people through security propaganda, public security patrols, and mediation of simple conflicts and disputes.

Strong Accountability and Customer First

Promoting industry development

As a member of the China Property Management Institute and the Standards Committee of Zhejiang Real Estate Association, Greentown Service has been actively participating in the industry exchange and making contributions to promoting the standardisation and quality improvement of the property management industry. By the end of the Reporting Period, we have participated in the Future Community Forum, the property quality improvement sub-forum of Shanghai International Property Management Expo, the third plenary meeting of the second session of the Standards Committee of China Property Management Institute, and shared the Group's practice and thought in quality and service improvement on these occasions. We also published a number of industry insight articles, demonstrating the Group's in-depth understanding of and practical experience in the industry. Through these activities and publications, Greentown Service has been constantly promoting exchanges and cooperation within the property management industry, and jointly explored the direction and future trend of industry development with our peers.

Multi-dimensional Assessment and Responsible Procurement

Supply chain management

Greentown Service has always attached great importance to the relationship with supply chain business partners, and also knows well the importance of promoting and facilitating the operation mode of responsible and sustainable development in the entire supply chain. To this end, we have formulated the "Supplier Code of Conduct" and the "Supplier exclusion guidelines", which specifies social, environmental and commercial ethical requirements. We have established a standardised process for the sourcing, selection and admission of suppliers, in which suppliers are audited and inspected according to their nature (services, engineering, materials, etc.), and for specific categories of suppliers, ISO14001 environmental management system, ISO45001 occupational safety management system and ISO9001 quality management system certification are included in the scope of supplier admission.

The Group regularly holds supplier conferences to share requirements on supplier management, listen to suppliers' demands, and ensure that suppliers' rights are well protected. Trophies are awarded to suppliers with excellent performance as an incentive. Through sound and effective supply chain management, the Group and the suppliers jointly create a safe working condition, full respect for employees, and responsible measures to protect the environment.

We build a comprehensive procurement management process, to centrally standardise procurement/tendering processes to reduce operating costs; to adopt stringent measures and monitoring systems, and we will assess the bidders' policies, practices and performance in relation to compliance to regulations, occupational health and safety, environmental protection and community care, and require them to provide certificate of service quality and financial capability or reference document. During the partnership period, we regularly review and evaluate our suppliers (conducting performance process assessments and annual comprehensive assessments) to identify risks in supply chain integrity, quality, safety and environmental aspects in a timely manner. If they are found to have failed to comply with local laws and regulations and to meet the environmental and social standards set by the Group, we will consider terminating the relationship with them.

The Group has developed procurement systems based on business models, and localised procurement is implemented according to front-line business needs, to ensure that localised service procurement is conducted legally, reasonably, effectively and transparently. At present, localised procurement covers 16 service categories, including cleaning, greening, security, elevator, fire prevention, garbage removal, exterior wall cleaning, disinfection, various testing, strong and weak power system maintenance, dredging and cleaning.

The Group strictly controls the screening of materials suppliers and implements strict requirements on site inspection. The Group makes a detailed plan and specifies the time of completion before the inspection, so that the requestor department can complete a comprehensive inspection of the suppliers before using them. The inspection has a wide scope ranging from the review of reputation, qualification to site condition. Service suppliers are subject to the standard management model based on the "Procurement Management System", the "Procurement Operation Guidelines", the "Tendering and Bidding Management Measures" and other relevant policies.

Greentown Buy Procurement Platform

The Group created the Greentown Buy (綠城購) procurement platform in 2015, which is a procurement platform. It is committed to providing Internet procurement solutions for a series of services such as procurement SaaS tools, selected suppliers, and big data procurement suggestions, and it has realised the digitalisation and visualisation of the entire procurement process, efficient procurement resource sharing with a transparent and efficient procurement management system.

Green supply chain

The Group continues to improve its procurement management system, issued "Procurement System Professional Management Measures (2022 Trial Version)", and the procurement system is divided into a two-level management structure of "Group and business group/regional/city companies", which consists of three parts: supplier management, procurement execution (service, material, and engineering procurement) and internal control of operation. For suppliers, the Group signs a Green Pact with each supplier to urge them comply with the code of business conduct, supervises suppliers' compliance with requirements, standards and management mechanisms related to environmental protection, safety, labour, quality and other environmental and social aspects. All site inspection and evaluation forms require documents related to the operational effectiveness of the quality management system, etc. All new suppliers introduced have to go through audits/evaluations related to this. The Group requires to include environmental and social risk management inspection when a new supplier is introduced. Suppliers are rejected if they do not meet the requirements.

To promote the healthy and sustainable development of the supply chain, the Group integrates environmental and social risk factors into the supplier assessment and cooperation process in order to achieve environmental and social risk management in all parts of the supply chain. The Group is required to sign a "Liaison Letter" with suppliers to convey the environmental and occupational health and safety management policy of Greentown Service: "Improve life via services". In addition to actively promoting actions to prevent environmental and occupational health and safety hazards within the scope of the Group's technical and economic licenses, strengthen cooperation with suppliers in these areas and achieve continuous improvement in pollution and hazard prevention, we will also make such requests to our suppliers of raw materials and services, engineering contractors, waste disposers, transporters, and other related parties.

To strengthen the stable and friendly cooperative relationship between the Group and its suppliers, and create a transparent environment for cooperation. By the end of the Reporting Period, we have sent the "Integrity Commitment Letters" and questionnaires to 5,362 suppliers. In addition, the Group sent "A Letter to Our Suppliers" to all suppliers. The Group abides by the Green Pact together with the suppliers. Suppliers found to have violated the rules are dealt with seriously. The Group hopes that by working together with all of our partners to create harmonious and healthy atmosphere and a transparent environment for cooperation. We are open to the supervision of the society and the public.



Strong Accountability and Customer First

Greentown Service pays close attention to the health and safety standards of contractors and employees, specific requirements are as follows:



A supplier shall promise to consciously and actively protect the environment and its employees' health and safety. The products and services provided shall meet (or try to meet) the national, local and industrial laws and regulations on environmental protection and occupational health and safety. Subject to quality assurance, the supplier shall ensure environmental performance, reduce the use of packaging materials, and protect the health and safety of its personnel.



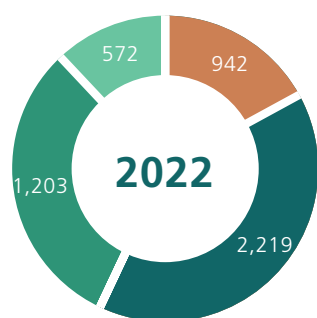
Given appropriate occasions and conditions, a supplier shall actively learn and introduce standards for environmental protection and occupational health and safety management, and implement control according to the requirements of these standards to jointly promote the management system.



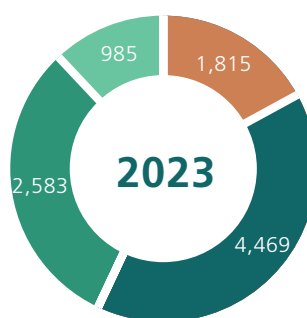
In the process of production and construction, a supplier shall prioritise the use of non-polluting/less polluting, non-hazardous/less hazardous production processes, production and construction equipment, advanced construction methods, etc., and shall not use production processes and construction equipment that have been prohibited by the national or local authorities.

We have further strengthened the management of suppliers' incoming inventory. By the end of the Reporting Period, The Group terminated cooperation with 234 suppliers and added 4,916 new suppliers. The number of new suppliers during the year accounted for 50% of the total number of 9,852 suppliers. Suppliers by region are listed as follows:

| Region | Number of suppliers | |
|----------------------------|---------------------|-------|
| | 2023 | 2022 |
| Yangtze River Delta Region | 4,469 | 2,219 |
| Bohai Economic Rim Region | 1,815 | 942 |
| Pearl River Delta Region | 985 | 572 |
| Other regions | 2,583 | 1,203 |



- Bohai Economic Rim Region
- Pearl River Delta Region
- Other regions
- Yangtze River Delta Region



- Bohai Economic Rim Region
- Pearl River Delta Region
- Other regions
- Yangtze River Delta Region

Full Range Services for the Elderly and the Young

The “Big Elderly Care” ecosystem creating a better life for the elderly

Greentown Chunling (椿齡康養) adopts the whole process model of companion services ranging from consulting, designing, marketing to operation, it focuses on the in-depth operation of CCKC², exploring the operation model of elderly care institutions to imitate colleges, institutions to integrate medical care with elderly care, and residential elderly care institutions, extending elderly care services at home with elderly care service centres and elderly care institutions in the community as the basis.

Developing a new model for elderly care

In 2023, Greentown Chunling promoted elderly care services in the properties under Greentown management. It introduced three elderly care products: elderly care institutions, Chuntianli and CCKC community. Based on the development of the “property + elderly care” model, Greentown Chunling launched a new series of health care service products (convenient medical treatment, agent medication dispensing, family care, escort service for out-patient visit, elderly meal assistance, Chun Tour (椿遊), Chunle intergenerational activities (椿樂代際), health management services, Chun goods (椿之好物), etc.) to customise and meet the health care needs of the owners and families of the Greentown Service.

We have organically combined the “Sunshine Elderly Home” and the “Children’s Growth Station” to form a home service centre, creating a new mode of play for the elderly and children.



▲ Intergenerational integration: innovating a new model of community care for the elderly and young

In addition, by cleverly designing a shared atrium, we create a human interaction space for the elderly, connect internal and external resources of the Group, and create an elderly care service ecosystem.



▲ Property Management + Elderly Care – create a 15-minute “community update, life update” home living service circle

² CCKC refers to Continuing Care Kidult Community in full, which emphasises mutual harmony between the elderly and the young to realise the vision of caring for both in the same city.

Strong Accountability and Customer First

Chun Tour — providing customised tourism services for the elderly

In 2023, we provided the elderly with short day trips, small group tour of 4-6 persons travelling in a car, and long-distance high-end customised tour. There was space for community experience, travel experience of rejuvenated traditional festivals and other community activity products. With themes related to culture, sightseeing, healthcare, knowledge, it organises offline community activities, which increased the stickiness between the property management and the owners and improved service satisfaction.



▲ Chun Tour and Immersion Learning Experience

By leveraging the Group's resources, we have embarked on projects such as "Government and Enterprise Wellness and Recreation" and "Cultural and Tourism Planning Services". Currently, we have designed wellness and recreation services for clients from the banking industry and educational institutions. At the same time, we have collaborated with the Hangzhou region of our Group to implement property-related activities such as "Happiness Market" and "Hello Life". Additionally, we have designed and developed products and customized tourism services for some of our managed projects that align with market demands.

Case Creating a 4.0 version elderly canteen to make elderly care more intelligent

The Cuiyuan Elderly Canteen (翠苑长者食堂) in Hangzhou's Xihu District values the wellbeing of the people who dine there, with intelligent recognition, by recommending customised healthy recipes to the elderly. The elderly canteen has two modes: "order-and-pick-up" and "order-and-deliver": after ordering, the elderly can choose to place their food in the holding cabinet and pick it up by themselves; or they can choose to have it delivered to their homes by the canteen staff or volunteers.



▲ Cuiyuan Elderly Canteen

Chunling Hui — a small-scale multifunctional community embedded service institution integrating elderly care, nursing and learning

Case

Chunling Hui Community Service Project mainly includes six service modules: home care service centre, community canteen, Yile College (頤樂學院), rehabilitation centre, long-stay care centre and day care centre, which integrates elderly care and learning; Shangsha Community Home-based Elderly Care Service Centre mainly provides free herbal foot bath using Chinese medicine, rehabilitation training, escort service for out-patient visit, nail trimming, blood pressure measurement and other caring services for elderly residents, which won the recognition and appreciation of the elderly in the course of the service.



▲ Chunling Hui (椿齡荟)

Case

Chuntianli — building a life circle of common interest in the neighbourhood

Chuntianli has carried out a series of cultural and recreational activities such as the Seniors University and group tours to meet the diverse needs of the elderly. It provides cleaning, agency, mobility and other services in life care, and introduced qualified suppliers to provide professional services such as physiotherapy, moxibustion and rehabilitation. The communities are connected with health managers to provide physical checkup, rehabilitation at home and other health management services for the elderly in the communities. Chuntianli has launched health care products, mainly including dietary supplements and physiotherapy instruments.



▲ Activities of Chuntianli

Case

Community services and care for the elderly

Yuancheng Community Home-based Elderly Care Service Centre hosted collective birthday parties for the elderly. The staff wore birthday hats to celebrate the occasion with fruit, cakes and longevity noodles as well as chatting and singing birthday songs. Hosting birthday parties is a heartwarming move to demonstrate the community's respect and care for the elderly.

Xinyi Community Health Care Centre initiated the Elderly Care Program to teach the elderly basic use of smartphones, including practical operation such as fee payment in daily life and payment of social security contribution. The targeted teaching aims to address the problems the elderly face when using smartphones in their daily life. By helping the elderly with wisdom and technology, they can keep up with the trend of information technology and enjoy the convenience brought by the development.



▲ Public services initiated by Greentown Chunling

Strong Accountability and Customer First

A two-way talent exchange mechanism has been established between us, vocational colleges and industry associations to jointly cultivate talent specialising in elderly care. By working with vocational colleges, we provide internship opportunities for elderly care students. As a base of teaching practice, the nursing team and skills are optimised and improved. Employees are encouraged to improve their academic qualifications to support both teaching and learning. We also provide a series of measures, such as college training in enterprise and corporate practice guidance in college to promote in-depth integration of the industry, academics, research and application, technological innovation and talent cultivation.

Elderly-friendly communities

To implement the spirit of the 20th National Congress of the Communist Party of China (CPC) and further promote the traditional Chinese virtue of respecting the elderly, and based on respect for the rights and interests of the elderly. Details of the communities are listed as follows:

- 01 ▶ **“Clean and Comfortable” elderly service and environmental guarantee mechanism**, which aims to create a green community for the elderly by strengthening the construction of ecological environment in a hygienic and clean community with fresh air.
- 02 ▶ **“Physical and Mental Health” elderly service and health guarantee mechanism**, which aims to create a reassuring community for the elderly by installing basic health equipment, and building an emergency management system in a reassuring, cheering and healthy community.
- 03 ▶ **“Convenient Life” elderly service and life guarantee mechanism**, which aims to create a convenient community for the elderly by connecting with government resources to improve the elderly services in an elderly-friendly community.
- 04 ▶ **“Friendly Neighbourhood” elderly service and mutual help mechanism**, which aims to create a friendly community for the elderly by matching help from community leads in a community that respects for the elderly and advocates mutual assistance.
- 05 ▶ **“Silver-haired Action” elderly service and activity development mechanism**, which aims to create a happy community for the elderly by mobilising the healthy elderly in the community to participate in designing activities in a diverse, happy and peaceful community.
- 06 ▶ **“Health and Vitality” elderly service and health care mechanism**, which aims to create a community for elderly health care by caring for the elderly at home in a healthy and harmonious community.

Future Development “On the Way”

A beautiful retirement life is everyone’s expectation, and respecting the elderly also requires years of companionship and unwavering perseverance. We have explored a new development path for the practice of “property + elderly care” by accumulating experience in the main services of community home care and institutional care. In the future, with more detailed policies and innovative mechanisms, we will be able to provide better service models for both basic care and professional care, so that the elderly can experience a greater sense of access and happiness.

Greentown Lezhen Education cultivates energetic and happy children

Greentown Lezhen Education, the main force of “learning” in the strategy of the four protection projects of “security, maintenance, environmental and greening” and the four happiness plans of “recreation, learning, joy and longevity” in Greentown Service’s transformation to new living services.



Strong Accountability and Customer First

In 2023, the Group upgraded the system of nursery curriculum by focusing on children’s mental and physical health. It initiated localised research and development based on the SEL (Children’s Social and Emotional Learning Course) and SPARK (Sports, Play and Recreation for Kids) curricula introduced by the Ministry of Education and the General Administration of Sport of China to form a new system of Greentown nursery curriculum.

Case

Greentown Parent Child Games — SPARK Sports Fun Day



In November 2023, the Greentown Parent Child Games — SPARK Sports Fun Day was held by Greentown Lezhen Education in Hangzhou on a sunny day.

Ms. Jin Keli, the CEO of the Group, Ms. Zheng Shuyin, the Olympic champion and taekwondo athlete, Ms. Chen Yijia, the general manager of Greentown Lezhen Education, and parents and children from 9 group members including Greentown Wonderful Garden Daycare Centre and kindergarten (托育园), gathered together to enjoy the fun, more than 800 people participated in the games.

Creating a vision of happiness

Wonderful Garden Daycare Centre (奇妙园) is a bilingual childcare brand of Greentown Lezhen Education, focusing on providing bilingual day care and parent-child interactive classes for infants and toddlers aged 0 to 3, and now has 21 bilingual kindergartens (including those in the pipeline). Wonderful Garden Daycare Centre, adhering to the “Three characters: kindness – confidence – curiosity” concept of education, using Greentown Institute’s medical-nursing-education system, professional teachers, standardised management, green ecological learning and playing space and safety system of 360-degree protection and quality management system certified by ISO9001, is committed to cultivating sunny and happy children with “Chinese heart, global perspective”.

Case

Building the first model infant and toddler care service institutions in Hangzhou – Hangzhou Jinghang Yinshu Daycare Centre

Jinghang Yinshu Daycare Centre has three classes and is one of the first model infant and toddler care services in Hangzhou. It has an original “Three Hearts” curriculum and has contracted a professional health practitioner and psychologist.



▲ Jinghang Yinshu Daycare Centre Environment

Developing inclusive education

Because of the standardisation, quality, professionalism and responsibility, Greentown Wonderful Garden Daycare Centre is recognised by parents, industry, and government. Since 2020, Greentown Education has been invited by many local government authorities to cooperate in providing inclusive childcare. From community childcare to corporate childcare, from Gongshu and Binjiang districts to Shangcheng and Yuhang districts, and from Hangzhou to Shaoxing. In 2023, the Group upgraded the service standard of home-based education. In light of the new curriculum system and daily care services, the Group formed an electronic report system based on the feedback of children’s individual health growth, covering daily health, weekly teaching plans for each curriculum module, monthly tracking feedback for each child, and family education guidance, which was recommended to parents via the self-developed application of Wonderful Garden Daycare Centre. Greentown Education has 25 inclusive childcare gardens as of the end of the Reporting Period. We have an original “Three Hearts” curriculum: through life activities, learning activities, playing activities, and home-based education, we cultivate children’s development in six major areas. The course content was officially published as a book, which is very pioneering in the industry.

Growth Stations: In a safe and friendly park space, we provide children aged 0-12 with peace of mind, interest classes, talent development and growth care services, so that children can enjoy activity-based learning and interaction with peers, adults and nature, inspiring kindness, confidence and curiosity in children, and guiding them to grow up healthy, happy and blissful.



▲ Daily activity at the kindergarten

Strong Accountability and Customer First

Actively building child-friendly communities

On 30 September 2021, the *Guiding Opinions on Promoting the Construction of Child-Friendly Cities* was jointly issued by the National Development and Reform Commission and other ministries and commissions. To deploy the decisions made by the CPC Central Committee and the State Council, and promote the construction of child-friendly cities, the Group is committed to turning properties under Greentown management into communities that meet children's need for healthy growth based on respect for children's rights and interests from the perspectives of community policies, environment and property services. We follow the basic principles in our work: strengthening children's priority development, safeguarding children, promoting children's natural development, children-oriented park planning and construction, and establishing a mechanism for children's all-round participation.

In 2023, we successfully accepted 31 child-friendly parks, providing a more suitable living and learning environment for children. To effectively promote the construction of child-friendly parks, we drafted the "Greentown Plan for Serving Child-Friendly Communities" in view of relevant national policies. The plan focuses on eight systems of "public participation, rule-based awareness, security, health services, family education, cultural activities, service facilities and talent cultivation", with the purpose to provide demonstration and guidance to constructing child-friendly parks across the country. Overall, 30 model parks were successfully accepted across the country. Our products can be classified into seven systems:

- 01 ▶ Public participation system: Holding "Youth Council meetings" in the parks.
- 02 ▶ Rule-based awareness system: Creating a "Car Park" for children.
- 03 ▶ Security system for children: Setting a permitted height of 1.55m to prevent children from leaving the park alone without their parents' consent.
- 04 ▶ Health service system for children: a physical and mental care mechanism for children relying on local hospitals and community health centres. We work with external parties each quarter to provide children with growth monitoring, nutrition guidance, development assessment, eye care and other child health services.
- 05 ▶ Family education system for children: hosting family safety education lectures in the parks to enhance children's safety awareness and self-protection ability.
- 06 ▶ Cultural activity system for children: launching the "Dolphin Program" every year, and working with early childhood education groups and qualified local institutions to teach children swimming skills for free.
- 07 ▶ Service facilities system for children: improving the property service plan and fully considering the needs of children when formulating the annual property service plan. We prepare a map to highlight children's activity areas in the park, and launch child-friendly renovation of the park's infrastructure.

Our achievements demonstrate our respect and care for children's rights and interests, and also our determination and strength in promoting the construction of child-friendly cities. Going forward, we will continue to work hard to create a better environment for more children to grow.

Volunteers Serving People at Home

The Group respects the diverse cultures and established traditions of the region and values the expectations and views of community groups and is committed to responding to the views of the community in a timely manner. The Group has been actively involved in the activities of the community and met the needs of the community in the past year, fulfilling its obligations as a corporate citizen and contributing to the community in which it serves.

As a brand activity of Greentown Service, Happiness Market has been held for four consecutive years since its first launch on 4 July 2020. This activity covers residential and commercial projects under Greentown Service, and is popular with owners and customers. In 2023, the brand activity was mainly represented by daily fairs and major attractions. Daily fairs include morning markets, night markets and festival activities. Major attractions are combined with the four happiness plans and the “Dolphin Program” in summer. Stalls are set up to provide scissors sharpening, hair cutting, blood pressure measurement, and other services. In 2023, a total of 2,123 activities were held, covering about 150,000 person times in 1,077 residential communities.



2,123
activities were held

1,077
residential communities
covered

covering about
150,000 person times



“Three Hour Market” in Shandong

In Shandong, the “Three Hour Market” is held at the entrance and exit of the community from 4 p.m. to 7 p.m. on weekdays when most people are leaving or returning the community. By the end of the Reporting Period, a total of 98 “Three Hour Market” activities have been held, serving more than 10,000 people. In this market, stall keepers did not run their business all day long, which helped save human and material costs. Stall keepers were satisfied with the short time, large traffic and maximised profitability ratio. The market lasted only for short time, so property owners were also satisfied, complaints were reduced, and the impact of market on the owners were minimised.



98 activities have been held
Serving more than
10,000 people



Strong Accountability and Customer First

The Group launched a series of community activities by leveraging external healthcare and medical resources. It organises regular free medical consultation, health lectures, physical checkups and other activities, and shared health recipes, weather forecasts, health knowledge among the owners. At the same time, 402 sets of automatic external defibrillators (AEDs) first aid kits were equipped, AED first aid training and drills were organised quarterly, and employees were organised to obtain American Heart Association (AHA) first aid certificate and Red Cross first aid certificate. During the Reporting Period, we had 1,361 AED certified personnel.

For parents of students to sit high school and college entrance examinations, the elderly and groups for special care, we regularly hold lectures on psychological care to relieve their mental stress. We have also established a relationship volunteer team to strengthen neighbourhood mediation, and form a voluntary mediation mechanism together with the community, the Committee of Property Owners, the community leads and the property management to settle neighbourhood disputes and eliminate conflicts.

Each service centre has a convenient cabinet in each park containing a first-aid medicine kit, a tool kit and other materials to meet the needs of the owners, and it regularly provides free haircuts, free cleaning and other services. In addition, we organised Greentown Happiness Land leads to launch random photos, weekly inspections, monthly patrols and tripartite joint meetings on safety and quality in the park, helping to improve the quality of the Group's services. We provide daily services that take care of property owners as they were our family members throughout a year, such as the well-being service, the relocation service, the escorting service and the reassuring service.

The Group set up a group of co-governance experts and invited 123 experts from all over the country to make suggestions for community development. We have a "going out and bringing in" mechanism that demonstrates our professionalism by introducing outstanding external resources. We successfully held 42 sessions of park expertise training, which were designed to improve the quality of team and standard of services. The Group organised 35 seminars on difficult issues and sought solutions to problems in community development. A total of 29 exchange and sharing activities across regions, provinces, cities and parks were held as a platform for interaction with regional and industry experts and joint promotion of community sustainability. Through these measures and activities, we work closely with property owners and communities to jointly promote ecological protection and sustainable development. We make full use of our business advantages and base ourselves on community needs when providing customers with high-quality services and products to promote more harmonious and better social development, and achieve common development with the society.



Helping farmers increase income by exploiting sales potential

In July 2023, the Community Business Group helped about 100 farmer households in need sell agricultural products, and increased their per capita income by more than RMB2,000 by exploiting and expanding the Internet sales platform in Dongpo District of Meishan City in Sichuan Province through agricultural orders, labour employment, land circulation, etc.



Helped about **100** farmer households
Per capita income increased by more
than RMB **2,000**



Creating employment opportunities and promoting economic development

In September 2023, the Community Business Group created employment opportunities in Zhaohua District of Guangyuan City in Sichuan Province, helped 54 people to get employed as regular employees, and provided 900 working hours of temporary labour through infrastructure construction, the per capita income increased by more than RMB4,000, and remarkable result was achieved. In addition, we formed a partnership with Longnan Xiangyu Olive Development Co. Ltd. in joint assistance, and offered a product line covering a wide variety of agricultural and sideline products. This cooperation has promoted the development of the local economy and the sustainable development of the community.



Helped **54** people
Per capita income increased by more
than RMB **4,000**

In terms of environmental protection, we donated RMB70,000 to the Society of Entrepreneurs and Ecology (SEE) to fund and support the growth of non-governmental organisations in China in environmental protection and public well-being. We also donated RMB30,000 to the SEE Conservation Ecological Association as we practice the values of “respecting the nature and sustainable development” (敬畏自然, 永續發展), and assume the mission of “gleaning the spirit of entrepreneurs to conserve blue sky and water” (凝聚企業家精神, 留住碧水藍天).

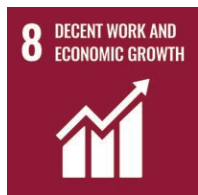




04

People-Centric and Collaborative Efforts

Corresponding United Nations Sustainable
Development Goal 5, 8 and 10





People-Centric and Collaborative Efforts

Talent and Career Development

Labour standards

Greentown Service respects international human rights and labour standards, and includes employees of different races, skin colours, ages, genders, sexual orientations, ethnicities, disabilities, pregnancy, beliefs or marital status. Anti-discrimination and no tolerance for any discrimination. We respect employees' personal freedom, protect the personal privacy of employees, provide equal and legal employment opportunities. During the Reporting Period, we strictly complied with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other relevant laws and regulations.

Employment

The Group always values the principles of "fair competition, open selection and sound arrangement" in its talents recruitment and has formulated a sound employment management system for talents cultivation and retention. In 2023, we revised a number of systems and measures regarding our recruitment and employment process, such as the "Recruitment and Employment Management System", the "Promotion Management System", the "Overall Salary Management System", the "Core HR Management System", the "Staff Attendance Management System", the "Employee Care System", the "Position Management System", the "Internship Management Measures", the "Probation Management Measures", the "Training Management Measures", the "Manager Trainee Management Measures" and the "Staff Compliant Management Measures". We strive to attract talented individuals through various channels, including job fairs in the labour market, online recruitment, and campus recruitment.



Recruitment channels

Recruitment channels include campus recruitment, school-enterprise cooperation, internal referral, and social recruitment



Campus recruitment: The "6611" training programme is divided into five stages, each of which has established plan of actions and assessment, with the purpose to screen and promote talent. Mentors are assigned to provide guidance in the development of career and professional ability.



School-enterprise cooperation: In 2023, the Group established long-term cooperative school-enterprise relations with Zhejiang Gongshang University, Zhejiang University of Finance and Economics, Zhejiang International Studies University and other universities in Zhejiang province. It also signed school-enterprise cooperation contracts with 17 other universities in China, with the purpose to jointly build an industry-university cooperation and collaborative education project. In 2023, we provided more than 2,000 internship positions for university students, and employment opportunities for 1,000 undergraduate and students graduated from colleges, 50 students graduated from universities designated for "Project 985", "Project 211" and world-class universities and world-class disciplines were employed. During the campus recruitment in autumn under the school-enterprise cooperation initiative, the Group received more than 12,000 resumes and issued more than 500 letters of intent.




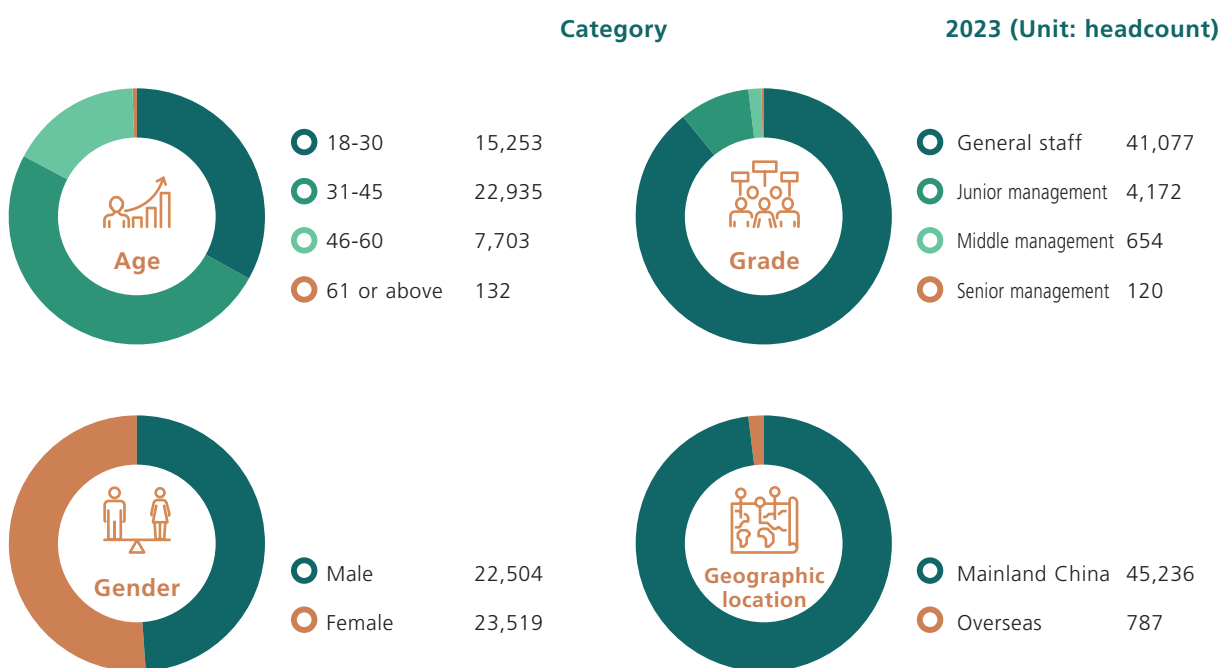
Recruitment process mainly consists of on-line resume screening, tests and examinations, interview and assessment.

Employee Overview

Employee diversity is a concept encouraging variety in employment from multiple perspectives, such as gender, age, race, professional experience and education background. The Group specially stresses the importance of gender diversity to release female's strength in the workplace and highlight their contribution to our development. In 2023, more females took up management positions in the Group, and outstanding female project managers were increasing. The Group has about 2,400 employees of ethnic minority, accounting for 5%. During the Reporting Period, we actively attracted veterans to apply for jobs by holding special job fairs and releasing targeted recruitment information. The Group promotes diversity in terms of gender, age and race, and aims for higher corporate value to drive its long-term development.

As of the end of the Reporting Period, the composition of the Group's employees (all full-time employees) is as follows:

| | | Number of female employees (Unit: headcount) | Proportion of female employees |
|--|-------------------|---|--------------------------------|
| | | 2023 | |
|  Female | Grassroots | 21,166 | 52% |
| | Middle management | 2,103 | 50% |
| | Senior management | 250 | 38% |



The majority of the Group's employees are located in the PRC, the Group's human resources department is responsible for handling the annual promotion of the Group's employees. Employees are regularly assessed for merit, taking into account a number of criteria such as: their performance rating; their ability to perform at the next level of responsibility; any relevant vacancies to be filled and the employee's current salary level. During the Reporting Period, the Group established the 2023 annual remuneration and performance management committee to implement works related to remuneration and performance in a clear-cut and orderly manner and achieve the goals of strategy-oriented talent development and effective incentives.

Management of Separation (Dismissal)

We generally do not terminate or terminate employment contracts with employees on our own initiative, except in exceptional circumstances. If we do need to terminate or dissolve an employment contract with an employee, we will do so in strict accordance with the requirements and procedures of labour laws and regulations, and where economic compensation is legally due, we will pay compensation in accordance with the requirements of the law. We will not restrict employees' choice of new jobs for any reason or means, and special circumstances involving non-competition will be fulfilled in accordance with the agreement signed in advance.

People-Centric and Collaborative Efforts

The employee turnover rate during the Reporting Period is as follows:

| Employee turnover rate (%) | By gender | | By age group | | | By geographical region | |
|----------------------------|-----------|--------|--------------|-------|-------|------------------------|----------|
| | Male | Female | 18-30 | 31-45 | 46-60 | Mainland China | Overseas |
| 2022 | 31.97 | 35.54 | 44.15 | 25.56 | 19.61 | 33.43 | 0.03 |
| 2023 | 30.58 | 34.06 | 45.16 | 24.84 | 19.17 | 32.75 | 3.44 |

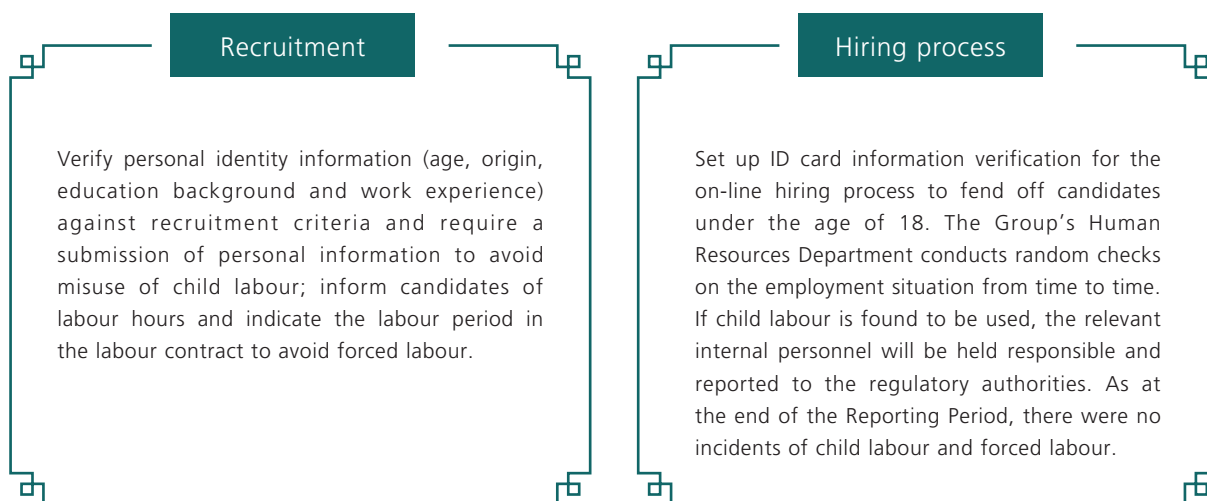
The Group mainly engages in property management activities and turnover of front-line employees is the highest. To reduce the turnover rate of front-line employees, the Group vigorously promotes the Priority Project (天字工程) which focuses on the accommodation and dining experience of employees. Group members have been implementing their own Priority Project to improve the standard of accommodation and dining. Some of group members have built their own canteens, and the rest without canteens have channels for food delivery. Food is under strict quality control to improve dining experience of our employees. For example, Hangzhou has 5 canteens that are star certified, all of which are subject to one dining standard. The quality of external food delivered is also strictly controlled to ensure that our employees can enjoy their meal.

The Group has formulated management measures for staff accommodation and dining, monitored the living safety of staff, the security of dormitory and accommodation environment. People have their respective responsibilities under a tiered and hierarchical system, and regularly inspect and accept the facilities of staff dormitory to ensure the quality of living.

Employee rights and interests

During the Reporting Period, the Group's human resources management process was conducted in strict compliance with the *Labour Law of People's Republic of China*, the *Law on Women's Rights of the People's Republic of China* and the *Provisions on the Prohibition of Using Child Labour*. We established a standard working hour system and offer a reasonable extra pay and subsidy for employees working overtime. We also adhere to statutory holiday regulations in making staff leave arrangement, such as formulating a reasonable shift and leave schedule for security, cleaning and other special positions to ensure the continuity of our services by suggesting some make-up days or extra OT pay. As at the end of the Reporting Period, the Group did not have cases of discrimination or harassment.

The Group implements the following measures in the recruitment and hiring process to avoid misuse of child labour and forced labour:



To standardize the handling of employee complaints, ensure that employee grievances are resolved promptly and effectively, and safeguard the interests of employees, the Group has provided employees with normalized communication and complaint channels such as the "Greentown Service Employee Hotline 95059580", the "Greentown Service Nationwide Unified Customer Service Hotline 95059", and the "Chairman's Mailbox". Additionally, the Group organizes an annual May 1st Staff Seminar as well.

Caring for employees

The Group has formulated various detailed employee care plans to improve wellbeing for all its staff. These plans are of various nature and focused on living wellbeing, workplace wellbeing, caring for family members, career development and retirement wellbeing, respectively. Specifically, incumbent employees of the Group can enjoy the following benefits:

Health check-up

Annual health check-up normally organised.

Quarterly team-building

Quarterly team-building activities.

Holiday benefits

Holiday benefits, such as holiday allowance in cash for New Year's Day, May Day, Mid-Autumn Festival and National Day, and activities to celebrate Women's Day, etc.



▲ May 1st staff seminar | Poster of 2023 Staff Seminar in Jiangsu

Family leave

Family leave for personal birthday, wedding anniversary and Children's Day.

Care for employees' children

Care for employees' children, such as the Dolphin Program, gift packages for school starters and assistance for attendees of major examinations.



▲ Caring for Employees' Children

People-Centric and Collaborative Efforts

Position and skill subsidies

Position and skill subsidies: During the Reporting Period, the Group developed certificate incentive measures to organise and encourage employees to participate in skills training and certification. For example, for cleaning staff who obtained the Group's skill certification, they are granted a monthly subsidy on a scale of RMB30 to RMB200 included in their monthly salary for initial/intermediate/advanced/technician certificates.

High temperature allowance in summer

High temperature allowance in summer, which are delivered in the form of cooling supplies and medical supplies for front-line workers during July to August each year.

In addition to those preliminary employee benefits, the Group has also established the Employee Care System to deliver special love and warmth to employees and their families in certain situations:

Mutual Aid Group for Needy Employees

Mutual Aid Group for Needy Employees, which is designed to deliver love and kindness from within and build up team cohesion by offering mutual assistance to member employees and their spouses and children under the age of 18, so as to relieve their living burdens from severe diseases or family misfortunes.

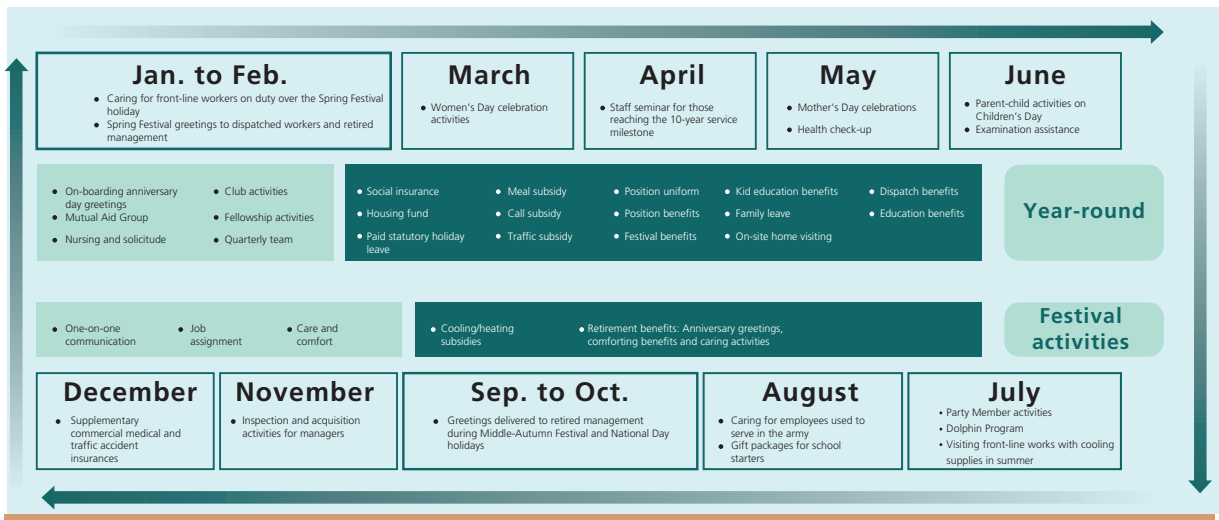
Support available for employees overwhelmed by domestic calamities

Support available for employees overwhelmed by domestic calamities, with assistance to relieve their tension and stress at certain occasions when handling with major domestic affairs, including comforting goods or cash delivered to injured or sick employees, to the immediate family members (parents, spouses, children) of deceased employees and for employees' legal childbearing.

Logistic service and support for managements dispatched employees who are working outside

In order to provide proper logistic protection for our dispatched employees, the Group provides dispatch care for the management who have been dispatched to a non-resident location for more than 3 months, including family visiting benefits (reimbursement of travel expenses for quarterly family visit, with reference to the business trip criteria for travel vehicles), accommodation benefits and dispatch subsidies (actual criteria may vary from location to location).





▲ Employee Care Calendar



During the Reporting Period, we held more than 400 communications in various forms, including tea party, group building, chatting session, sharing session, etc., a total of more than 10,000 people participated in these communications. Based on employee opinions and suggestions collected, we further improved the system of employee benefits, improved the dining quality, and selected high-quality rice to be used in canteens, and also to be used by employees in their family meals. Managers at all levels are urged to care for front-line employees' basic needs of daily life. A 100-day renovation plan was launched to assist projects in difficulty, renovate employees' dormitories and working environment, strengthen face-to-face communication, and conduct the campaign of "one to one communication by cleaning and having a meal together".



▲ Happiness password activity to relieve staff stress in Hangzhou



held more than **400** communications, including tea party, group building, chatting session, sharing session, etc.



▲ Greentown Talent Competition in Hangzhou



▲ Badminton club of the Community Business Group

People-Centric and Collaborative Efforts

Collaborative Development for Common Growth

Employee training

To facilitate employees' skill improvement, capability enhancement and cultivation of fine ethics and behaviour, the Group launched a "6+4" training system to carry out various training sessions lectured by dedicated trainers for employees of different grades. The relevant department of the Group will assess the competence and qualifications of trainers before their lecturing, and evaluate their performance after lecturing with reference to scores from trainees to ensure the quality and effectiveness of training sessions.



On-site training:

The "6+4" training system, which consists of 6 Programs and 4 Schemes. Specifically, the 6 Programs include two Pilot Programs, Voyage Program, Sailing Program and two Onboarding Programs designed for the further advancement of executives and the General Manager, capacity building up of back-up officers, further advancement of elite professionals and skills improvement of grassroots workers, respectively. And the 4 Schemes are promotion-specific and consist of Diamond Scheme, Platinum Scheme, Gold Scheme and Silver Scheme targeting personnel in charge of tier-1 units to be promoted to executives of the Group, deputy-level personnel to be promoted to personnel in charge of tier-1 units, grassroots backbone managers to be promoted to deputy-level positions, and general staff to be promoted to grassroots backbone managers, respectively.

The highlights of the "6+4" training system are as follows:

- A sound training system empowering employees throughout their entire growth cycle;
- Tailored training plans based on group traits and talent grades;
- Integration of on-site training and e-learning;
- Standardised operations.



▲ Pilot Program



Online training:

The online learning platform "Cloud Class for Growth" provides 3,000+ online courses for employees. Employees can choose the content they are interested in and learn it on their own. Training courses on the platform involve diversified topics, such as position-specific courses, general skills, leadership, as well industry dynamics and other information.

We also provided opportunities for employees to be certified as internal trainers for various internal training courses. Our internal trainers are divided into five ranks, each subject to various engagement requirements, i.e., chief lecturer, senior lecturer, veteran lecturer, lecturer and branch lecturer, based on their accumulated working years, performance rating in the prior year and the number of courses developed under their charge. For the internal trainer certification process, we provide necessary training courses on lecturing skills and tips and instructions for course development.

During the Reporting Period, the Group's employees spent 2.324 million hours on training in total and 53.6 hours per person. Proportion of trained employees and the average training hours by category of the Group are as follows:

| Category | 2023 | |
|-------------------|------------|------------------------|
| | Proportion | Average training hours |
| Male | 46.55% | 67.17 |
| Female | 46.38% | 37.08 |
| General staff | 83.66% | 52.13 |
| Junior management | 8.74% | 52.19 |
| Middle management | 0.48% | 45.46 |
| Senior management | 0.04% | 41.68 |



Greentown Service has a talent development framework map based on "6+4+3+2 training system and dual platforms", and on this basis, the Group makes use of assessment tools such as "Beisen Assessment and SHL Assessment" to screen talent with high potential and excellent performance in recruitment, talent inventory, talent cultivation and other processes.

01

Apply talent profiling on curiosity, attention, observation, vertical and horizontal thinking ability (一心四力) for talent selection during the evaluation process

In 2023, we optimised and updated the "talent profiling on curiosity, attention, observation, vertical and horizontal thinking ability (一心四力)" for posts responsible for operation management, project management, housekeeping, management trainee and other posts. During the process of campus recruitment and talent inventory, talents are screened using the profiling dimensions, and a one page evaluation report based on the talent profiling is prepared to optimise the recruitment and inventory processes.

02

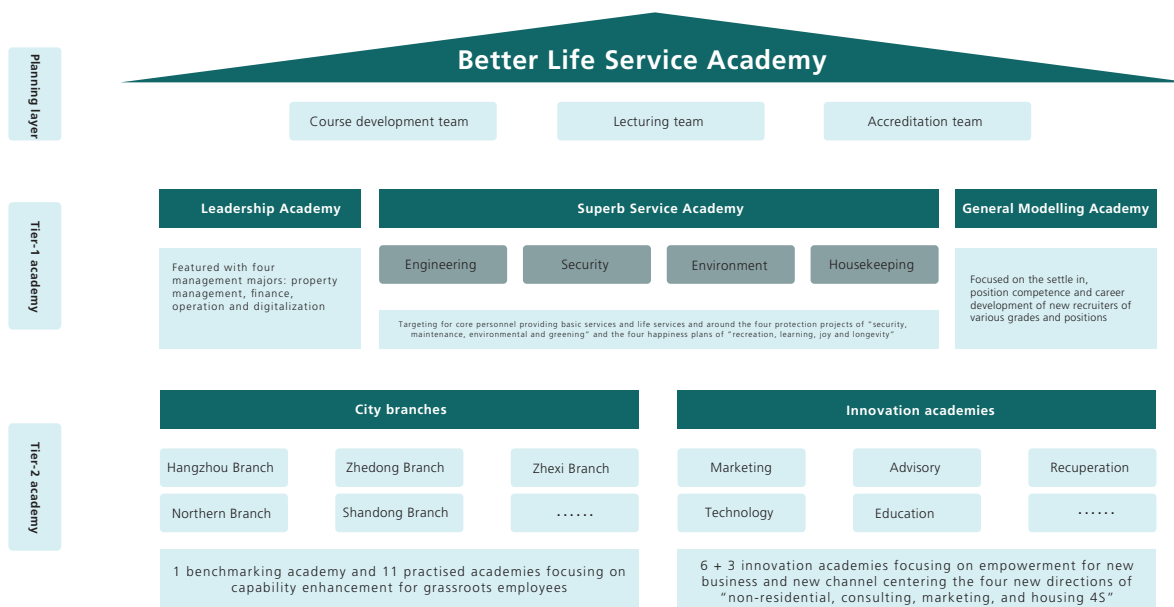
Psychological risk assessment to screen and identify high-risk personnel

By the end of the Reporting Period, 29,586 people had used psychological risk assessment in the recruitment of the Group. Among them, 6,933 people were applying for project control posts and 6,188 people were applying for functional posts. A total of 1,069 people with high risk or higher risk have been detected, with a detection rate of 4%. People with high risk or higher risk were not employed in the recruitment processes.

People-Centric and Collaborative Efforts

Employee Development

The Group has forged a complete talent cultivation system and formulated the “Measures for Training Management” to provide scientific training and evaluation for employees of various grades and positions based on their personal capability, personality and career development requirements, so as to select competent talents for the construction of a sound talent pyramid.



▲ Structure of internal cultivation system

| Training System | System Overview |
|--|--|
| The “6611” training programme for management trainees | After three months of induction period and another three months of initial period, a management trainee becomes a high performing employee. After six months of regular post period and one year of in-depth cultivation in key positions, the management trainee becomes a trainee in charge. After a breakthrough period of one-year independent internship, the management trainee finally becomes a person in charge of the project unit. |
| Induction Training System (Cohesion Program) | The program is divided into Class A, Class B and Class C. Class A is designed for potential executives for intensive training at the headquarters. Class B is designed for potential project managers and functional staff to cultivate corporate culture and team spirit for integration with the Group. Class C is designed for front-line posts for quick integration and job competence by working together with the leading and tutoring system. On-site training and online training are integrated under the Group’s standard program for localised implementation. |
| Talent Pyramid | The Group has a clear-cut path of talent development as follows: management trainees → housekeeper → project manager → project group leader → regional head → group member head → executive management. We have talent pyramid (such as the Leading Goose Project (頭雁工程) and the Huangpu Series) along the career path starting from the position of project manager, with the aim to promoting growth of reserve talent through targeted training. |

Training System

System Overview

System of Professional Certification

The system of professional certification is divided into three categories of certification: qualification, professional competence and vocational skills. The Group awards internal certification for professional skills such as property management, which is open to all employees to apply.

Shared Employee Empowerment System (Collaboration Program)

The program aims to train influencers among owners and use their influence to promote our products and brands. Class A is designed for the Greentown Happiness Land leads and the core members of the Committee of Property Owners, while Class B is designed for the members of Greentown Happiness Land and Greentown Selection Officer.

Huangpu Cutting-Edge Program

Launched on 9 September 2022, the Group has conducted phase 1 pre-duty training for security, cleaning, landscaping and maintenance positions, and phase 2 pre-duty training for project managers. As at the end of the Reporting Period, 15 regional/city companies had conducted training activities under the Huangpu Cutting-Edge Program, attended by 189 trainees in total.

Voyage Program

The program is designed to provide special management training courses for 593 participants. Participants were asked to read 6 books, communicate with employees and visit project sites more than 8,000 times. Participants of the Voyage and Pilot Programs had received 2 livestream courses, respectively, including takeaways from the books of Frontier of Strategic Management and the Group Strategy Interpretation.



▲ Huangpu Cutting-Edge Program

▲ Cohesion Program



▲ Leading Goose Project



Held 35 sessions of Sailing Program for project managers, and

1,125 of whom were certified

with an increase by

14.2% from the year before

During the Reporting Period, we held 35 sessions of Sailing Program for project managers, and 1,125 of whom were certified, with an increase by 14.2% from the year before. A training session was conducted for 37 newly recruited engineering staff and 3 training sessions for 157 engineering staff to take over certain engineering projects before their official involvement in delivering the projects. Together with the Engineering Technology Centre, the Group hosted an engineering technician competition, which attracted 36 technicians from 12 region/city companies to showcase their superb engineering strength.

People-Centric and Collaborative Efforts

Prioritising Occupational Safety and Employee Health

Occupational health and safety

In order to implement the safety production policy of "safety first, prevention first, and comprehensive management", improve the Group's ability to deal with risks and prevent accidents, ensure that employees are not affected by occupational hazards during production, and prevent occupational safety accidents and occupational diseases, the Group strictly complied with the *Work Safety Law of the People's Republic of China* and *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* during the Reporting Period and formulated management systems for safety management, accident prevention and emergency rescue plans, and employee occupational health. The Group has also passed GB/T45001-2020/ISO45001: 2018 Occupational Health and Safety Management System. The Group attaches importance to works related to health and safety, and has incorporated health and safety performance into the executive remuneration assessment system. The Group has formulated the "Accountability System for Major Safety Emergencies", and responsible persons are held accountable for the adverse impact of resulted safety incidents in strict compliance with the bottom line of production safety.

The Group arranges annual occupational health check-ups for its employees by organising them to go to medical and health institutions approved by the provincial health administrative departments for occupational health check-ups before and during their employment, and establishes sound information on occupational health files.



Safety inspection

During the Reporting Period, the Group carried out security inspections such as visits by third-party mysterious visitors (Q1), eagle eye network (full coverage quarterly) and site supervision (quarterly), mutual inspection by supervisors of group members (quarterly), self-inspection by project supervisors (monthly) and other special actions.

- ◆ For hazardous works, the Group has formulated corresponding management systems, operation guidelines and emergency response plans, and regularly holds safety training. Before hazardous works are carried out, appropriate safety protections are ready, the worker is informed of the hazards involved, relevant work qualification and certificates are examined, documents are filed, and a letter of production safety responsibility is signed.
- ◆ To protect the safety of our employees, the Group regularly distributes labour protection appliances, holds regular safety training, signs a letter of commitment to production safety at all levels, and revises the service and operation guidelines and the reward and punishment system applicable to all employees for publicity and learning.
- ◆ In terms of subcontractor safety management, the Group has formulated strict standards and approval processes for suppliers shortlisting, signed "Production Safety Agreements" and "Green Pact" with shortlisted suppliers. Suppliers are regularly organised to participate in production safety training and are subject to regular and comprehensive evaluation.

The Group conducts regular maintenance and repair of occupational disease protective equipment, emergency rescue facilities and occupational disease protective supplies for personal use, and regularly tests their performance and effectiveness to ensure that they are in normal condition. The Group equips employees with relevant protective equipment and tools in high-risk positions, such as high-voltage power distribution rooms, and provides training to instruct employees on the proper use of protective equipment so that employees are protected from accidents during the production process. For the three financial years ended 31 December 2023, the Group had no work-related fatalities. During the Reporting Period, 614 working days were lost due to work-related injuries.

Professional skill workshop

The Engineering Technology Centre established the Craftsman Workshop since 2016. The workshop has been awarded by the Human Resources and Social Security Bureau with the titles of "Master Technician Workshop in Xihu District" and "Master Technician Workshop of Hangzhou" in succession. In October 2020, the Workshop was selected into the first batch of enterprise units qualified to conduct independent professional skills certification, as a recognised unit competent for training and 12-level accreditation targeting electrician, intelligent building manager, refrigeration equipment installation and maintenance majors. During the Reporting Period, the Workshop has completed certification for over 150 people in 9 batches.

In terms of safety training, the Group launched campaigns such as the production safety month, spring-time training, summer-time safeguarding, and winter-time safety action. A total of 11 group members, 24 provinces, 127 cities, and more than 1,000 parks participated in these activities. Safety-related activities were carried out for 35,759 employees, to improve their business capability and the ability to deal with emergencies.

During the Reporting Period, we successfully stopped 52 thefts and captured more than 80 suspects in more than 1,000 parks. There were 389 cases of commended guards (including commendations from government departments, owners and other parties). Apart from safety meetings, the Group has hosted eight safety lectures, which were converted into online training courses to popularise basic safety knowledge and management points to all staff.



05

Protecting the Environment and Our Home

Corresponding United Nations Sustainable Development Goal 7 and 13





Protecting the Environment and Our Home

Green Life of Environmental Protection and Energy Conservation

Addressing climate change

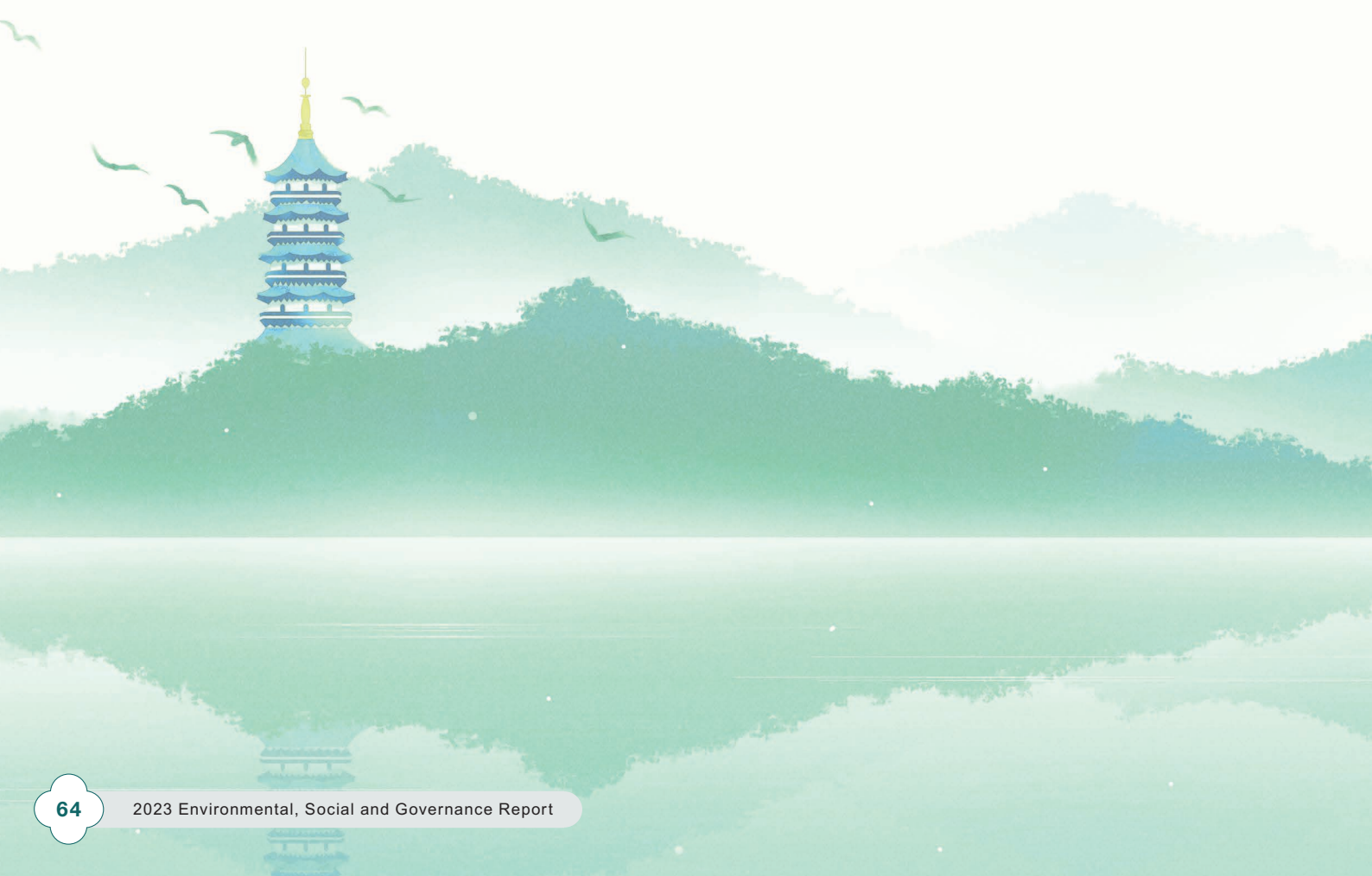
The increasingly severe global warming is an undeniable fact. Our Group remains vigilant about climate change issues and leverages the TCFD (Task Force on Climate-related Financial Disclosures) framework to systematically address potential risks and opportunities arising from climate change through status reviews, strategy formulation, risk management, and identification and management of key indicators and targets. Regular assessments are also conducted to ensure effective implementation.



Governance

The ESG Report Working Group under the Group's Audit Committee is responsible for assisting the Board in overseeing, reviewing and handling sustainability-related topics, including climate change, and reviewing the Group's annual performance in addressing climate change and the progress in achieving its targets, with the view to ensuring the effectiveness of climate-related risk management.

Strategy

Climate change presents physical risks such as floods, extreme weather and rising temperatures, and may also lead to transition risks caused by changes in markets, regulations and policies. The Group refers to the risk categories recommended by the TCFD, conducts risk identification and analysis based on its own business type and group operations, taking into consideration national policies, industry trends and stakeholder concerns, and studies relevant coping strategies to reduce the adverse impact of climate change on the Group's business and financial activities.



| Risk category | Climate-related risks | Response |
|--|------------------------|---|
|  Physical risks | Acute | Extreme climate or weather events are very likely to damage production equipment and jeopardise employee safety, giving rise to additional adverse impacts. |
| | Chronic | Longer-term climate change issues, such as gradual changes in temperatures and rainfall, rising sea levels, etc. |
|  Transition risks | Policy and legal risks | As policy actions around climate change continue to evolve, regulators will take stricter measures to limit GHG emissions and strengthen GHG emissions disclosure requirements. |
| | Technology | When introducing new technology or equipment to adapt to climate change, the Group may encounter problems such as immature technology, equipment failure or high maintenance costs. |
| | Market | Under the guidance of policies and markets, and as consumers become increasingly aware of lower-carbon alternatives and environmental protection, they will opt for greener products or service. |
| | Reputation | Stakeholders are increasingly concerned about issues related to responses to climate changes, and the Group may suffer from reputation risk if it fails to meet stakeholder expectations or violates relevant laws and regulations. |

Establish a natural disaster emergency plan, regularly check and maintain property facilities, and improve their disaster prevention and resistance capacity.

Keep a close watch on policy dynamics and regulatory changes, and adjust the Group's response strategies in a timely manner. At the same time, the Group should actively participate in relevant policy discussions and policy development initiatives to create favourable conditions for the Group.

The Group should establish long-term cooperative relationships with technology suppliers to ensure that it can obtain technical support and updates in a timely manner. At the same time, the equipment must be maintained and inspected regularly to ensure it is operating properly.

Formulate relevant procurement policies to reduce the consumption and procurement of relevant resources.

Continuously monitor stakeholders' expectations, actively respond to and stage climate change-related activities.

The Board is responsible for supervising the environmental and social matters of the Group, including risk assessment and risk management. At the same time, it works with relevant departments to identify and study the impact of climate change on the Group's business activities, so as to fully control climate-related risks and seize opportunities. For the acute physical risks, as the Group is mainly engaged in the provision of high-end property management services, typhoons, rainstorms, high temperature and other extreme weather conditions may affect the projects under our Group's management in different extent. As such, the Group has also formulated a Safety Emergency Response Plan Compilation Manual and the Safety Management Centre is responsible for overseeing the implementation of the same, while the Property Service Centre is responsible for providing training to all staff on the emergency response plan and requires projects to conduct regular drills. This emergency plan covers contingency plans for typhoons, cold waves, snowstorms and natural disasters to enable timely response and proper handling to protect the personal safety of the owners and staff. Before the natural disasters, the Group issued warnings according to relevant information, reminded owners to make corresponding preparations in advance while taking various countermeasures. In the wake of disasters, the Group arranges and deploys rescue work to relieve property owners suffering from psychological and financial conditions and keep them and their properties from further harm.

For our future services, the Group focuses on reducing and addressing the impact of global climate change from the following two perspectives: provide professional consultation or suggestions to property developers in the design and construction stages to enhance their capability of coping with sudden natural disasters; promote green buildings and energy reduction to reduce costs in daily operations and minimise adverse impact on the global climate. These two measures can help us get well prepared to mitigate potential financial risks lurking somewhere in future.

Protecting the Environment and Our Home

Resources recycling and clean energies

We have taken the following measures to recycle resources:



Work with many social and public service organisations and street communities to place recycling bins in the parks for residents to recycle used goods. Recycled items are cleaned and facelifted by professional organisations, and then donated for reuse to reduce waste.



For the used materials generated in the daily service, such as cartons, mineral water bottles, cans and other reusable resources, we sell these materials to a third party agency or dispose of them by a professional team. Used materials are reasonably recycled and reused to reduce the burden on the environment.



There is an owner exchange platform in the Greentown Life application for owners to exchange second-hand goods on the platform. Owners are encouraged to exchange items that are no longer needed with others to reuse resources. In addition, we regularly host physical markets such as Happiness Market and flea markets as a platform for owners to exchange goods and promote resources recycling.

The Group actively practices the concept of green energy, energy conservation and environmental protection. By the end of the Reporting Period, we had utilised solar power systems and solar water heating systems in 42 projects. We aim to reduce dependence on traditional energies by making full use of clean and renewable energies. Solar power implementation helps save energy and improves air quality by reducing hazardous substances generated by burning fossil fuels.

The Group cherishes water resources and has implemented the system to reuse rainwater or reclaimed water in 216 projects. By collecting and utilising rainwater, the demand for tap water is reduced and water consumption is minimised. The water reuse system also reuses the wastewater after treatment to further save water by recycling and reusing water. In the future, we will keep increasing investment, exploring and applying new green energies and energy-saving and environmental protection technologies, while promoting more projects to achieve sustainable development.

Green construction

The Group promotes green building and increases the number of non-residential buildings to obtain green building certification. In 2023, a total of 5 projects under Greentown management obtained green building certification and 7 awards. These projects complied with strict green standards in design, construction and operation, and strived to reduce energy consumption, minimise emissions, and improve efficiency of resource utilisation. As at the end of the Reporting Period, the certified green building area under management in the non-residential sector reached 1,077,374 square meters. These green buildings provide people with a healthy and comfortable living and working condition, and help improve the urban ecosystem and enhance sustainable development in cities.

Green Practice and Low-carbon Operation

Environmental policy

As a socially and environmentally responsible enterprise citizen, the Group is well aware of its responsibilities for environmental protection. It stresses the importance of environmental protection during its daily operations and evolving path, by actively implementing the green and low-carbon growth strategy to minimise the negative environmental effects from its business progress while trying to achieve ecological benefits. The Group also strictly follows the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China* and other laws and regulations that are crucial for its further growth, with relentless efforts to deliver positive environmental benefits.

Greentown Service is a service-oriented business and does not have heavy polluting or high emission production-based activities. We manage our properties mainly in accordance with our property service contract and management system, which has a low impact on the environment and natural resources, and basically does not involve any discharge to water or land. During the Reporting Period, we complied with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and the *Water Law of the People's Republic of China* to protect the interests of all owners and the public. Given that environmental improvement for office buildings and residence areas is a major part of services provided by the Group, which is the key to beautifying property owners' working and living environment, meeting national regulatory requirements and maintaining cutting-edge competitiveness for its sustainable development, the Group takes measures to identify potential risks lurking around and nip the environmental threats in the bud. Thanks to all of its efforts, the Group obtained the environmental management certification of GB/T24001: 2016/ISO14001: 2005.

Development of the energy management platform

For multi-tenant office buildings and public energy consumption of projects in property management, the Greentown Service Engineering Technology Centre has developed an energy consumption management platform, which supports the selection of various sub-items and energy types for visual analysis and the output of various statistical reports, realising comprehensive energy management, intelligent infrastructure, efficient management and operation, full chain of planning and production and data integration.

Energy and emission management


Greentown Service operates mainly in offices, so there is no hazardous waste generated. Our offices only produce a small number of daily wastes, which has no significant impact on the overall sustainable development of the Group. The relevant non-hazardous wastes are all collected and disposed of by cleaning staff, and then disposed of by the local health authorities, so no data records were presented. In addition, the Group's properties and offices are equipped with recycling bins to promote the concept of garbage classification among employees and customers.

The Group is well aware of the tension from freshwater shortage and the importance of water conservation. Therefore, it strictly follows the relevant environmental protection requirements and continues with its efforts to build a green operation system. In addition to other progress we've made so far, we also obtained the certification of GB/T23331-2020/ISO50001: 2018 RB/T107-2013 and Certificate of Energy Conservation Product in China for multiple devices occupied by us. Meanwhile, during the daily operation and maintenance for communities we are serving, the Group adopts a human-machine integrated method for scientific maintenance purpose, so as to lower water change frequency and reduce labour intensity and improve work efficiency, which help achieve the goals of environmental, social, and economic benefits. A strict and clear green management system well speaks for the great importance attached by us to environmental protection, and reflects the Group's courage and determination to bear the burden as one of the industry players leading the pack.




Protecting the Environment and Our Home

Information about the Group's water consumption is as follows:

| | 2023 | 2022 | |
|---|--|-----------|-----------|
|  | Total water consumption (m ³) | 46,595.00 | 45,990.00 |
| | Water consumption intensity (m ³ /revenue of RMB million) | 2.68 | 3.10 |

The Group mainly uses municipal water supply, and in some projects where conditions permit, rainwater, river water and reclaimed water are also used. There are no issues in obtaining suitable water sources.

Information about the Group's GHG emissions is as follows:

| Emission sources | 2023 | 2022 | |
|---|--|--------|--------|
|  | Scope 1: Direct emissions ³ (tons of carbon dioxide equivalent) | 28.52 | 42.36 |
| | Scope 2: Indirect emissions ⁴ (tons of carbon dioxide equivalent) | 560.58 | 546.57 |
| | GHG emissions (tons of carbon dioxide equivalent) | 589.10 | 588.93 |
| | Intensity (tons of carbon dioxide equivalent/revenue of RMB million) | 0.03 | 0.04 |

Greentown Service is a service-oriented business enterprise that manages properties primarily in accordance with property service contracts and management systems, and we have no use of raw materials other than energy and water resources.




³ Direct GHG emissions: Group gasoline consumption multiplied by the corresponding emission factor, with emission factors referenced to ①China Energy Statistics Yearbook ②IPCC 2006.

⁴ Indirect GHG emissions: the Group's purchased electricity consumption multiplied by the corresponding emission factor, with the emission factor referring to the Ministry of Ecology and Environment's Notice on Key Work Related to the Management of Enterprise Greenhouse Gas Emissions Reporting in 2022.

Energy conservation and emission reduction

With the carbon neutrality target set in “the 14th Five-Year Plan”, the Group, as a responsible enterprise, has made every effort to control GHG emissions and realise its continuous commitment to environmental protection. Through instructing the staff, the Group conveys a message of “Working together to reduce carbon, beginning with energy saving”. We post signs with content about saving electricity consumption on the lighting system switches, air conditioner system switches, photocopiers and meeting room in our office, to influence and help the staff to form the habit of saving power. The staff turns off their computers and other office equipment of their own accord during non-working time, a testament of the benefits of posting signs mentioned above. In addition, the Group takes into consideration of the correlation between the vehicles used by the staff to and from work and daily energy consumption, in particular, the fuel consumption of automobiles. Consequently, we encourage employees to use video and teleconferencing systems to reduce GHG emissions from business travel and related transportation.

During the Reporting Period, we set the following energy management and control goals: the public energy consumption was measured and uploaded to the energy management platform for comparison on a monthly basis, causes of abnormal changes in energy consumption were analysed to take corrective and preventive measures. Allocation of energy consumption was made public according to the Group or contractual requirements, and regularly reported to the Engineering Department of the Group’s branches and subsidiaries for filing. Information about the Group’s energy consumption is as follows:

| | 2023 | 2022 | |
|---|--|-----------|-----------|
|  | Gasoline (liters) | 13,006.80 | 19,319.40 |
| | Electricity (MWh) | 982.96 | 940.74 |
| | Comprehensive energy consumption ⁵ (MWh) | 1,096.57 | 1,172.04 |
| | Energy consumption intensity (MWh/revenue of RMB million) | 0.063 | 0.079 |



⁵ Comprehensive energy consumption is calculated based on the conversion factors in the *General Principles for Calculation of Comprehensive Energy Consumption* (GB/ T2589–2020), the national standard of the People’s Republic of China.

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Note 1: The Group's operations do not involve heavy industrial production and there is no discharge of hazardous waste or use of packaging materials; non-hazardous waste is indistinguishable from domestic waste from owners of projects under management and emissions are closely related to the number of owners of the size of projects under management and have not been accounted for in this reporting year.

Note 2: The Group has no relevant information for the current Reporting Period and this indicator is not applicable.

Sincerity · Goodwill · Delicacy · Perfection

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