

Environmental and Social Responsibility Report





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Environmental and Social Responsibility Report

01

About the Report

Basis of Preparation

It is the fifth Environmental and Social Responsibility Report (the “Report”) published by the Group for the public. The Report discloses the efforts and achievements made by the Group in achieving sustainable development in 2020. Through this report, we hope that you will understand our efforts and performance better and be willing to feed back your expectations to us, in order to enhance mutual trust.

Scope of the Report

The purpose of the Report is to give a balanced account of the Group’s environmental and social matters. Unless otherwise stated, the scope of the Report covers the Company and its subsidiaries for the reporting period from 1 January to 31 December 2020 (“the Year”). The content regarding the corporate governance of the Company will be presented separately in the section headed “Corporate Governance Report” in this annual report.

Guidelines of the Report

The Report has been prepared on a basis of the four reporting principles of Materiality, Quantitation, Balance and Consistency in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “HKEx”) in 2016, and has complied with the provision of “comply or explain”.

Declaration of the Report

The Report focuses on process management and comprehensively introduces the philosophy, actions, effectiveness and commitments of the Group in respect of sustainable development matters during the Year. The Board is responsible for the reliability and truthfulness of the information in the Report. We would like to enhance the communication with our stakeholders and display the management transparency of the Company through the publication of the Report, as well as to achieve sustainable development in the economic, social and environmental aspects.

1. Highlights for ESG Performance

1.1 Awards and honors obtained in 2020

Reviewing the past, the growth of Greentown China has kept pace with the era closely. Our products, brands, operations, talents and social contributions received recognition from different parties of the society and won numerous awards (details of which are set out in the table below).

Awards and honors obtained by the Group for 2020 (excerpt)¹:

Awards and Honors	Issuing Institutions
Product	
Top 10 among 100 Chinese Real Estate Enterprises 2020 by Comprehensive Strength	China Index Academy
Top 10 among 100 Chinese Real Estate Enterprises 2020 by Scale	China Index Academy
Chinese Real Estate Leading Enterprises by Product Quality 2020 (First Place)	China Index Academy
Top 100 Chinese Real Estate Enterprises 2020 by Product Quality (First Place)	CRIC
Brand	
Top 10 Chinese Real Estate Companies by Brand Value (Mixed Ownership) 2020 (First Place)	China Index Academy
Chinese Real Estate Leading Brands by Customer Satisfaction 2020	China Index Academy
Top 10 among 100 Chinese Real Estate by Brand Value 2020 (Eighth Place)	China Real Estate Business, CRED China, China Real Estate Think Tank
Gold Brick Award for Chinese Real Estate Enterprises – Influential Enterprise in the Real Estate Industry 2020	21st Century Business Herald
Golden Horse Award – Best Craftsmanship for A Listed Company	Securities Daily
Operation	
Top 500 Zheshang National Enterprises (CZBANK) (Sixth Place)	Zheshang Magazine
Top 10 Role Model of Listed Companies in the Real Estate Industry in Growth Potential 2020 (First Place)	Hexun Finance
Top 10 Role Model of Listed Company in the Real Estate Industry in Financial Position 2020	Hexun Finance
Top 10 Chinese Real Estate Listed Enterprise in Repayment Capability	Guardian Index Academy

¹ For our complete list of honor, please refer to the official website of Greentown China.

Awards and Honors	Issuing Institutions
Talent	
2019-2020 The 11th China Talent Development Awards-Innovation Growth Award	Training Magazine
HeRo 2020	Beisen Reserach of Talent Management, Renmin Business School
The Favorite Brand as Employer in the Real Estate Industry of Chinese University Graduates 2020	China Real Estate Association, China Construction Education Association
Diversify Excellent Employer by LiePin	LiePin
Social Influence	
Top 10 China Green Real Estate 2020 (Fifth Place)	The Investment Association of China
Top 10 China Prefabricated Construction Enterprises 2020	The Investment Association of China
Top 10 China Green Real Estate Operation Index 2020	The Investment Association of China
Top 10 China Full Decoration Enterprises 2020	The Investment Association of China
2019-2020 China Real Estate Social Responsibility Enterprise by China Real Estate Association	China Index Academy
20th anniversary of Hangzhou “Spring Breeze Campaign”, Generosity Award	Hangzhou Municipal Government

Key Awards and Honors in 2020



1.2 Highlights for ESG Performance in 2020

Environmental Performance:

- By the end of the Year, the gross floor area of green building projects under development exceeded 25.82 million sqm, about one hundred projects were recognized as green building including 10 three-star, 78 two-star, 9 one-star, 4 LEED certifications, and 1 WELL certification..
- In 2020, 57.7% of total projects under development are prefabricated construction projects, which reduced large amount of construction waste and improved the efficiency and quality of construction.
- Compared with last year, air pollutant emissions from vehicles reduced by 51.5% on average, while greenhouse gas emissions reduced by 39.0%.

Social Performance:

- We scored 90.2 in the satisfaction survey report for urban citizens in the PRC, positioning ourselves as the leader of the industry. We ranked first for overall satisfaction in 13 cities including Hangzhou, Hefei, Zhengzhou.
- By the end of the Year, the floor area of projects under management for the government amounted to 25.11 million sqm.
- Supplies and donations offered by staff and trade unions of all levels to front-line organizations combating COVID-19 amounted to RMB10 million.

Institutions of Greentown arrived at Wuhan to provide targeted support for medical and nursing works. Employees in Wuhan participated in the construction of Huoshenshan Hospital.
- The donated planting area amounted to 1,198 mu and an aggregate of 83,860 Haloxylon trees were planted in the “Greentown Forest” (綠城林) for the “Growing Spring Breeze” (種春風) charity action, which is the largest enterprise charity forest in Minqin County, Gansu Province.
- For the “Green Seedling Plan” (綠苗計劃) charity action, 88 students from poverty areas received sponsorship from our staff, who pays visits to schools and families they paired-up with and communicate with them regularly.
- We offered diversified trainings to staff. In 2020, we organized up to 150 training sessions, with staff trained amounted to approximately 60,000. The average online training hours per employee was approximately 47 hours, while the average offline training hours per employee was approximately 23 hours.

2. Steady and Healthy Development

2.1 Practicing Responsibility of Communication

Opinions from stakeholders are essential for the formulation and implementation of short-term and long-term sustainable development strategies. The Group established various channels to communicate with the stakeholders to facilitate the Group to identify potential risks in our business operation and recognize issues of sustainable development that the stakeholders concern the most.

Major Stakeholders	Expectations and Appeals	Communication and Response
Customers	Product quality and safety Customer service Customer privacy	Company website Organization of customer activities WeChat Official Accounts Customer satisfaction surveys
Partners	Honesty and trustworthiness Common development	Public tendering Site visit Email
Employees	Salary and welfare Occupational health Staff training and education	Department meeting Training demand surveys Publish announcement information Trade union activities and party-masses activities
Shareholders and investors	Risk control Rights and interests of shareholders Information transparency	Company website WeChat Official Accounts Annual report, interim report Shareholders’ meetings Investors’ meetings
Communities	Serving in community building and development	Engagement in various public welfare activities Community construction
Governments and regulatory authorities	Compliance with laws and regulations Information disclosure	Regular communication with governments and regulatory authorities Delivery of compliance report that meets regulatory requirements

The Group determined the key content to be disclosed by the Report through understanding the issues concerned by the stakeholders during the communication process. The detailed information is elaborated in the subsequent chapters.

2.2 Safeguarding Legitimate Operation

2.2.1 Anti-corruption

Transparent operational mechanism can enable the legitimacy, authenticity and stability of the Group. Pursuant to the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China and other regulations on preventing bribery, extortion, fraud and money laundering, the Group has formulated the Management Standards of Supervision Work of Greentown China, the Integrity and Self-discipline Standards for Staff, the Measures of Suspension for Inspection and the Standards for Integrity Reporting and Rewarding and other internal policies to enhance the awareness of prevention of integrity risks and ensure the legitimate operation of the Group. The Group has not received any illegal or irregular incidents concerning bribery, extortion, fraud and money-laundering for the Year.

Staff integrity and self-discipline behaviors were defined specifically in the Integrity and Self-discipline Standards for Staff by the Group, including the strict prohibition on the abuse of power and position to gain any improper interest, self-interest, etc. All staff was entitled to the right of supervision. The Standards for Integrity Reporting and Rewarding encouraged external departments and internal staff to report actions that violate the laws and regulations or damage the interest of the company by ways such as correspondence, visiting, telephoning, internet reporting, etc. If the situation is proved to be true, the person who reported under real-name system will be given proper rewards. To protect the legitimate rights of the whistle-blower, no one is allowed to disclose their personal information including names, working places, etc.

2.2.2 Integrity and Honesty

Product Promotion

The Group strictly complies with the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Regulations on the Management of Advertisements, and the Provisions on the Release of Real Estate Advertisements, based on which the Guidelines for Compliance Advertising and Promotion was formulated. The Group did not receive any case of violations against laws or regulations related to advertising and labeling during the Year.

The Group's Branding and Marketing Center optimized branding and marketing inspection, inspecting the marketing efforts of each project to improve the quality of marketing services in 2020. The forms of inspection included the Group's "Yellow and Red Cards" inspection as well as specific inspections of branding and marketing of regional companies. Organized by the Group's Branding and Marketing Center, for behaviors violating right of portrait, right of personal name and other privacy of customers, owners and others, yellow card punishment will be given; and for the lack-of-integrity behaviors of overstatement, inauthentic promise, red card punishment will be given. Inspections on branding and marketing projects of regional companies are organized by the department of marketing services, for conducting on-site inspections and supervising marketing services.

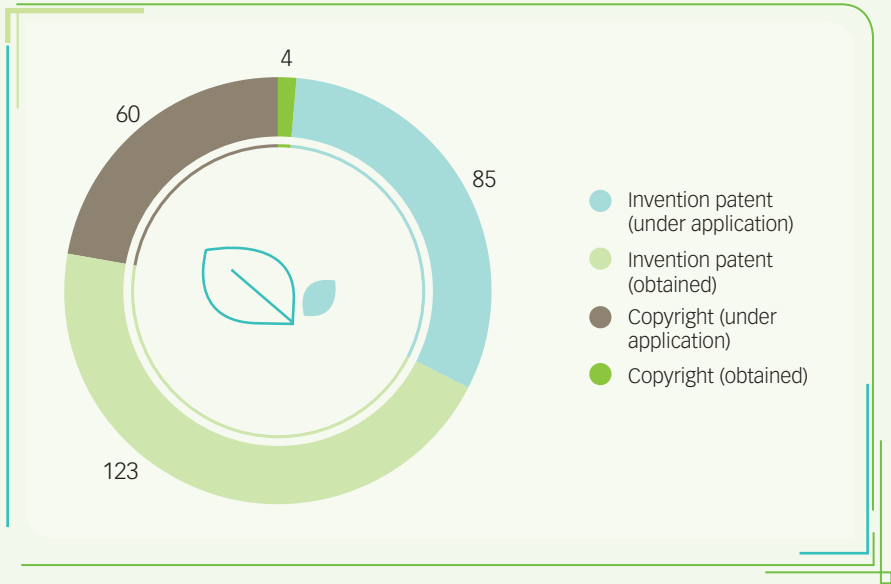
Intellectual Property

The Group continually improved the capability for intellectual property management and amended the Administrative Measures of Intellectual Property Management, which regulated the procedures of intellectual property management as well as the requirements, ensuring the strict compliance of relevant laws such as the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China.

To enhance the protection of the intellectual property rights of the Group’s products, the Group has applied patents for 208 products, representing an increase of 69.6% year-on-year; applied 64 copyright registrations, representing an increase of 246.1% year-on-year.

Tell of 2020

The chart below illustrates the patent and copyright application of the Group for the Year:



2.3 Conducting Transparent Procurement

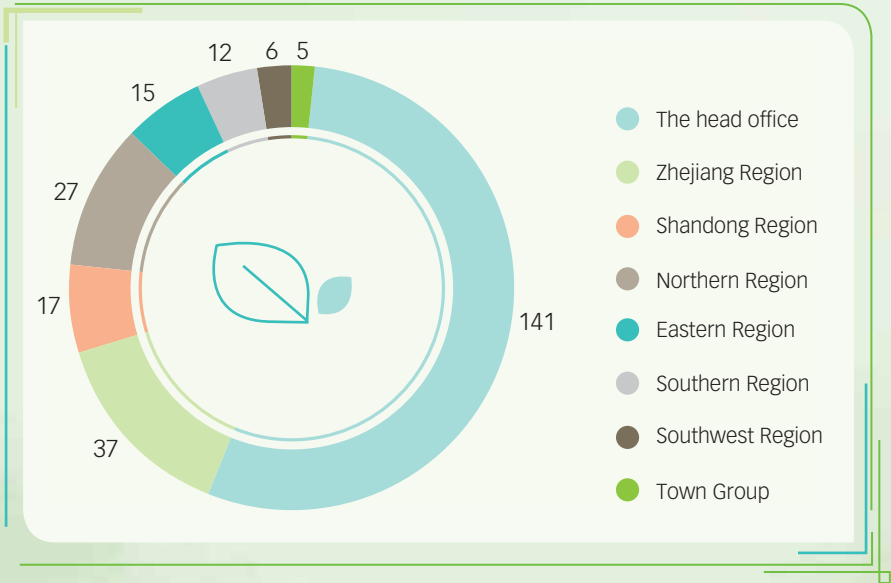
The Group is committed to building a responsible supply chain. On the basis of complying with relevant laws and regulations such as the Tendering and Bidding Law of the People’s Republic of China, the Group further formulated the Management Standards on Procurement of Materials and Equipment, the Management Standards on Strategic Suppliers of Materials and Equipment, the Management Standards on Centralized Procurement of Materials and Equipment and other internal systems, with an effort to establish a whole periodic management procedures of various suppliers in respect of access, bidding, performance evaluation and risk management to investigate and assess suppliers’ abilities in every aspect.

The Product Management Center of the Group is responsible for conducting appraisal of new suppliers who participate in bidding and meet the conditions as stipulated in bidding announcement. Suppliers can only participate in bidding activities of all kinds after they are approved and on a shortlist. During the bidding process, the Group requires the tenderer to provide a series of technical supporting documents for bidding within the scope of the bidding, including the production license of the tenderer’s brand, 3C certification and other environmental certifications, product models certification, etc.. The Group also requires our suppliers to recycle the waste in construction sites, control and manage waste gas and wastewater, etc. to make the best efforts to reduce environmental and social risks in each process of the supply chain.

The Group carries out materials procurement through bidding and price comparison in the principle of fairness and transparency, and non-bidding procurement of various materials must be approved under applicable approval authority as the Group prohibits any procurement without approval. Other procurement through bidding and price comparison must be carried out on the transparent bidding and procurement platform (<http://zc.gtcloud.cn>). In case of any bidding and procurement staff being suspected of committing business bribery and seriously violating any company disciplines, it would be investigated by the supervision department and upon verification, he/she will be warned or dismissed, and the responsible person of his/her department should take the responsibility of weak leadership and failure in monitoring.

Tell of 2020

The number of suppliers which the head office and regional companies cooperated with during the Year is set out in the diagram below:



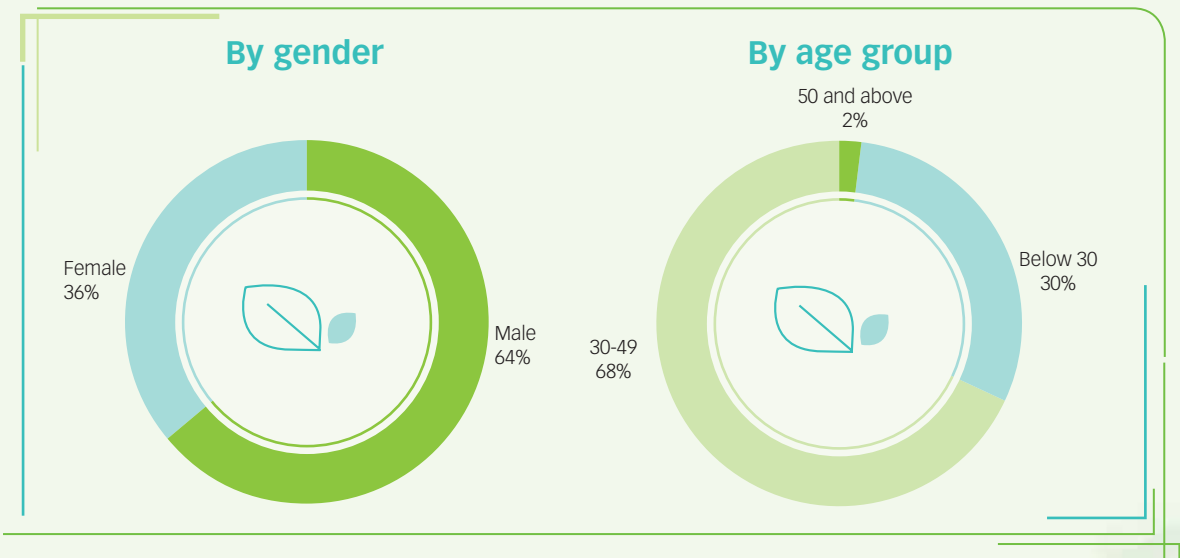
3. Caring Our Staff

3.1 Safeguarding Staff's Interest

Adhering to the belief that “people are Greentown’s most valuable asset”, Greentown firmly abides by laws and regulations related to human resource management which are represented by the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, the Social Insurance Law of the People’s Republic of China. Meanwhile, by complying with the United Nation’s Universal Declaration of Human Rights and fundamental principles of Standards in the International Labor Organization and conventions, the Group respects human rights, prohibits child labor and forced labor and opposes discrimination in any form and strives to providing fair and good working conditions in order to safeguard staff’s interest, health and safety. During the Year, the Group didn’t experience any illegal events relating to recruitment, dismissal, remuneration, promotion, working hours, holidays, equal opportunities, diversity and anti-discrimination.

Tell of 2020

As of the end of the year, the percentage of staff by gender and age group is set out in the diagram below:



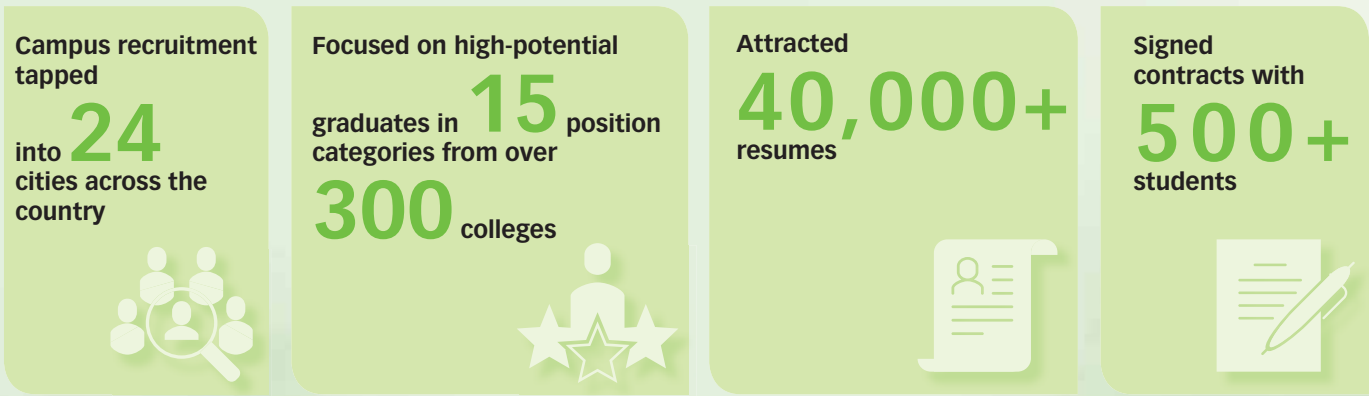


Campus recruitment provides a chance for students to enjoy face to face exchange with corporate executives and hotshot businesspersons through corporate presentations, alumni sharing, interactive Q&A sessions, etc. to continuously cultivate talents.

Talent Recruitment

The Group has Standard on Recruitment Management in place. During recruitment, the Group will recruit talents in the principle of equal opportunity, diversity and anti-discrimination; the Group continues to broaden recruitment channels with an aim to extensively absorb high-calibre talents in all walks of life, so as to build a diversified, inclusive, comprehensive and balanced team.

- Social recruitment – the Group carried out the “Elite Hunt Initiative” that introduced talents externally for core positions with specific targets; as of the end of the year, we introduced about 140 talents externally for core positions, which enriched our team and supported our business development.
- Campus recruitment – the Group established three brands for campus recruitment, namely “Tongdaoren (同道人)”, “Lixiangsheng (理想生)” and “Qihangsheng(启航生)”; in 2020, campus recruitment tapped into 24 cities across the country with a focus on high-potential graduates in 15 position categories from over 300 colleges, which attracted more than 40,000 resumes and signed contracts with above 500 students.



Remuneration Incentives

The Group’s remuneration system consists of fixed remuneration, floating compensation, allowances and benefits and others; we promote a “win-win mechanism”, establishing a short-, medium- and long-term incentive mechanism and a partner mechanism. The Group has also provided a variety of competitive extra benefits, including subsidies in communication, clothing, holiday and festival, meal, health management plan for employees and their families, supplementary commercial insurance, condolences payment and congratulation payment, etc.

Employment Management

The Group has always adhered to legal employment and management, and resolutely put an end to the employment of child labor by identifying the age of the candidates and comparing with the ID card information. The Group clearly defined the labor relationship and put an end to forced labor by signing labor contracts with employees. The Group did not involve in any situations relating to child labor or forced labor. Meanwhile, in accordance with the principles of timely response, adequate communication, peaceful resignation and compliance with the laws and regulations, employees and the Group can terminate the labor relationship after reaching consensus through negotiation as required.

3.2 Valuing Employees’ Health

The Group has been working hard to create a safe and protected working environment for the employees. While following relevant laws such as the Fire Prevention Law of the People’s Republic of China and the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, the Group also established “Home of Staff” and carried out “Staff’s Life Service System” to care about the employees’ physical and mental health. The specific policies and initiatives include:

- **Occupational Health and Safety**
Regarding the employees’ occupational health and safety, the Group has issued the Implementation Standards for Japanese-styled Engineering Management and Greentown China Japanese-style Management Guide Book (Safety and Civilization)” and other documents to regulate safe production.
- **Safe Working Environment**
Our Group insists in providing and maintaining a safe and healthy working environment, equipped with AED external defibrillators in the office area. We also regularly organize activities including health and first aid training lectures, fire safety drills, etc. to improve employees’ awareness of safety precautions and enhance emergency response skills.



Jointly plan a fire safety drill with Hangzhou West Lake Fire and Rescue Station

- **Staff Health Care Activities**
In addition to the statutory benefit schemes, we also provide other benefits such as a biannual physical examination and health interpretation, render 360° services for staff's health and daily "online family doctor", and establish health activity room for the staff to keep fit.
- **Staff's Life Service System**
Through the provision of physical examinations for employees and their families, the establishment of staff's health records, strengthening as well as celebration for staff's birthday and congratulations on their marriage and childbirth, the Company creates a family-like atmosphere, making employees work pleasantly.
- **Team Activities**
A variety of colorful team activities will be organized on New Year's Day, Spring Festival, Women's Day, Children's Day, Mid-Autumn Festival and Double Ninth Festival or according to the change of seasons to relax the employees' tension.



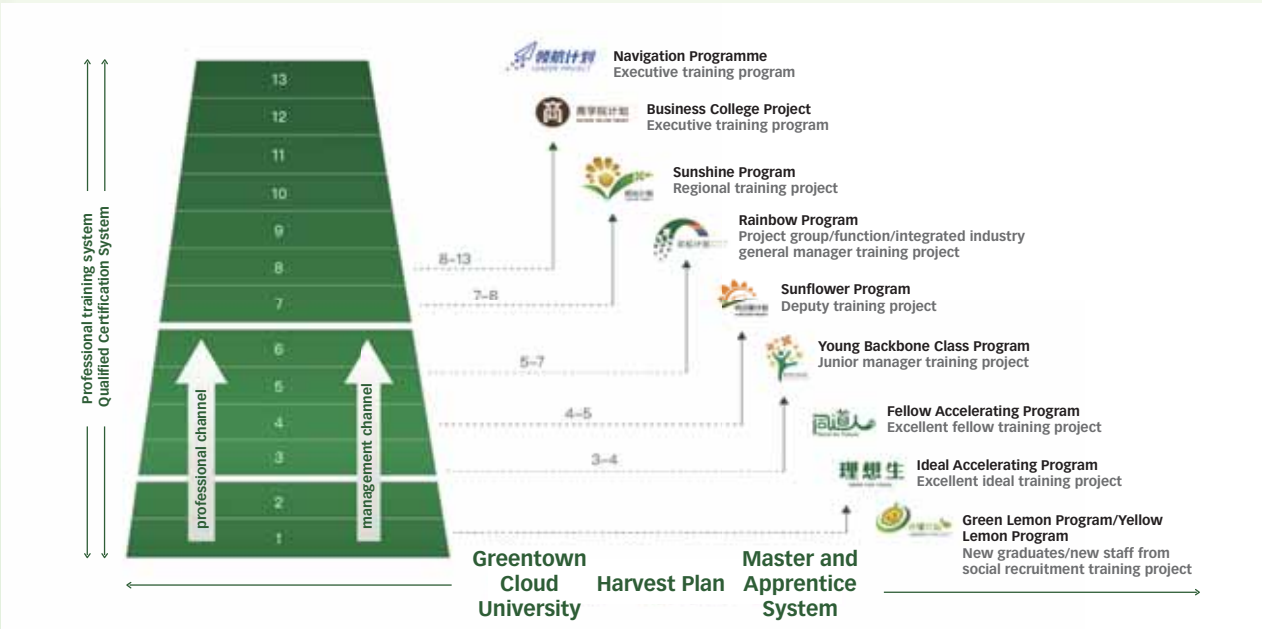
Case: Greentown China's "New Me Project" Sports Day



On 28 October 2020, the "New Me Project" Sports Day of Greentown China were held in Hangzhou.

3.3 Facilitating Employees' Development

"Growth" is the core keyword of the Group's corporate culture. The Group recognizes the importance of talents' values and cultivation, therefore the development of human resources is listed as one of the most important business management activities. The Group is guided by strategies and supported by talents to build a talent development system for Greentown China. After 26 years of development, the Group has established a talent training programme covering all employees, which enables employees to receive corresponding comprehensive and matrix training at different career development stages, and improve their knowledge and skills in performing job duties.



Tell of 2020
During the Year, the Group conducted 150 trainings of various types, with approximately 60,000 trainees. Among them, the echelon training covered approximately 4,500 employees, including 2,500 male and 2,000 female employees. The Group's online training hours per capita amounted to approximately 47 hours, while offline training hours per capita amounted to approximately 23 hours.

About **60,000** employees received **150** training sessions in various types

About **4,500** employees received echelon training

Male
2,500

Female
2,000

Online training hours per employee approximately **47** hours

Offline training hours per employee approximately **23** hours

Case: Navigation Programme

The “Navigation Programme” is a special training plan for class S cadres of Greentown China, aiming to improve their strategic planning capabilities and comprehensive quality of class S cadres and ensure the successful implementation of Strategic 2025.

The theme of “Navigation Programme” in 2020 was “strategic management”. During the key period of the formulation of the Group’s Strategic 2025, the programme was carried out from three key scenarios of “strategic awareness, strategic tools and strategic decoding” one by one, so as to improve the senior management’s strategic management capabilities while promoting the formulation and implementation of strategies. The training period was from April to October 2020, with a total of 93 class S cadres participating in the training.



4. Quality First

4.1 Focusing on Product Quality

Greentown China always adheres to prioritizing product quality and has prepared a series of standards including the Greentown China Quality Red Line Management Standards, the Third Party Engineering Quality Assessment Management Standards and Materials and Indoor Environment Quality Control Management Standards in accordance with laws and regulations such as the Product Quality Law of the People’s Republic of China and the Urban Real Estate Administration Law of the People’s Republic of China. The quality of the Greentown’s products is not only reflected in innovation and environmental protection, but also in safety and health to meet the practical needs of customers.

As for engineering management, the Group always adheres to learning and practicing Japanese-styled engineering management and implements “sample first” to improve product quality and consolidate product advantages. In September 2020, our Group issued special atlases such as Greentown China Landscape Products Series and Greentown China Indoor Products Series and compiled Greentown China Engineering Practice and Common Building Structure (Landscape Section), Greentown China Engineering Practice and Common Building Structure (Waterproofing and Thermal Insulation Section) and Greentown China Engineering Practice and Common Building Structure (Fine Decoration Section) which will be effective in 2021. Each atlas extracted years of engineering practice experience and technology of Greentown China, listed the practice of various projects and structure of important nodes, complied with the provisions of the current national engineering construction standards and specifications, and promoted the standardized implementation of processes and methods.

Case: Greentown China On-site Demonstration



The Fourth Season of Greentown China On-site Demonstration on 9 July 2020



The Fifth Season of Greentown China On-site Demonstration on 21 October 2020

Product test is one of the important tools for quality control in Greentown China. The Group continues to optimize product standards and explore a more comprehensive and effective quality control system. In terms of quality control, the Group has established a quantifiable project quality assessment mechanism and invites third party consulting units to conduct project quality assessment. The assessment adopts the mode of on-site assessment and actual measurement to reflect the real quality or risk of normalized project management and check the basic quality of projects.

On the basis of the foresaid quality control by third party test, the Group has also established its own testing center – “Green Quality” laboratory, including environmental laboratory, material laboratory and intelligent laboratory. Among them, the environmental laboratory has officially passed the China Metrology Accreditation and has the testing capacity in three major areas of water quality, air and materials. During the Year, the Group also set up a special “quality control” team which integrated external high-quality testing resources and used digital platforms as support to gradually establish its own “Green Quality” testing standard system from inspection on materials before acceptance to air quality testing before delivery.

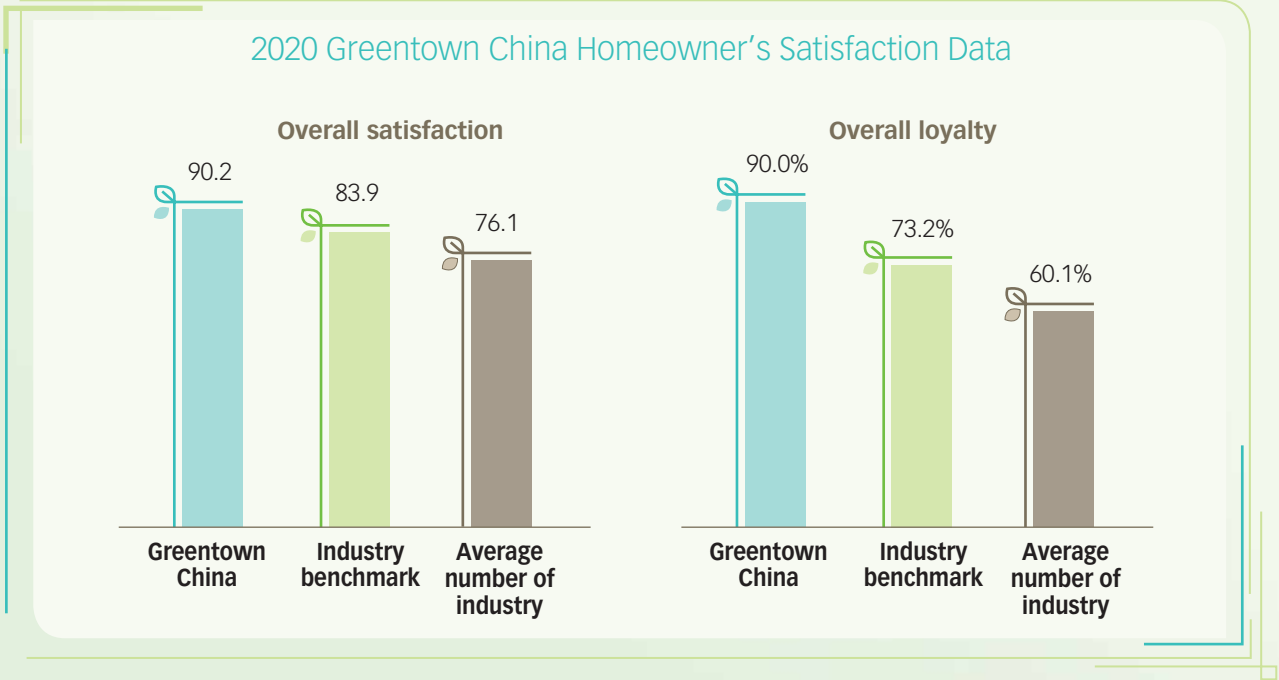
“Green Quality” Testing Standard System	
Fields	Test Items
Safe Production	Checking the on-site safety measures, such as personnel safety equipment, protective measures, safety warning, etc.
Material	Focusing on materials for main structure of buildings and indoor decoration materials
Environment	Paying attention to environmental quality indicators such as water, air and volatilization of harmful gases



4.2 Superior Quality Service

The group continuously improves the service quality and customer satisfaction of our brand, actively identifies potential problems of customers at all stages of work, and timely addresses any potential violations to prevent the risks and losses that may be caused. In view of the possible risks of receiving complaints about products and services, the Group has also formulated a series of management policies and standards, such as Greentown China Basic Norms on Handling Customer Complaint, Greentown China Accountability System of Handling Customer Complaints and Greentown China Inspection Standards of Customer Complaint Risks to ensure that customer complaints can be handled timely and effectively.

According to the Chinese urban residents’ satisfaction survey of 2020, Greentown China leads the industry with an overall satisfaction score of 90.2, ranking first in 13 cities including Hangzhou, Hefei and Zhengzhou.



In addition, the Group also attaches much importance to customer privacy protection and actively complies with the requirement of laws and regulations such as the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests as well as the Internet Security Law of the People’s Republic of China, and strictly stipulates that information collected from customers can only be used for business development and customer relationship management and shall not be used by anyone beyond the prescribed scope of use. It also strengthens network security checks through safe and stable system security measures to ensure the safety of customers’ information. During the Year, the Group was not aware of any events in relation to the violation of laws and regulations for leaking of customer privacy.

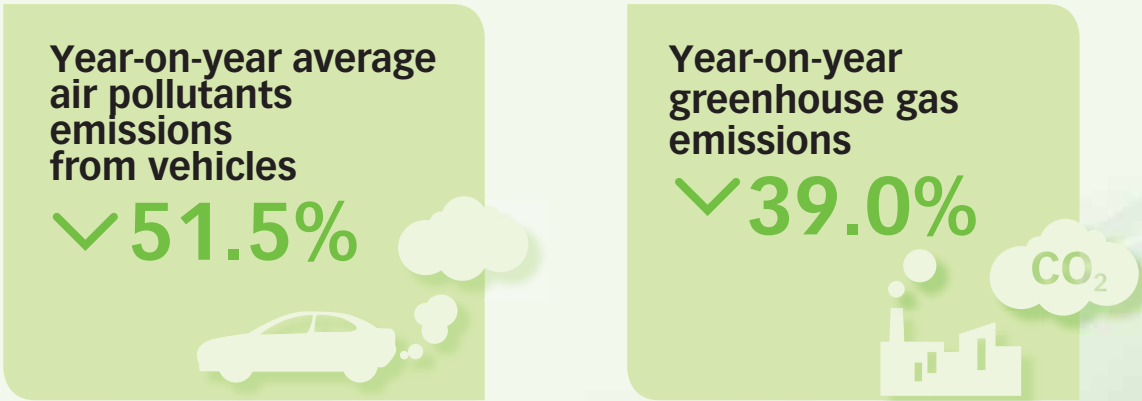
5. Green Development

5.1 Green Management

The Group has been committed to reducing pollutant and carbon emissions to mitigate their impact on the environment. The Group abides by the Environmental Protection Law of the People’s Republic of China, the Environmental Noise Pollution Prevention and Control Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, the Law of the People’s Republic of China on Environmental Impact Assessment, the Decision of the State Council on Implementing the Scientific Outlook on Development and Strengthening Environmental Protection, Regulations on the Administration of Construction Project Environmental Protection, the Administrative Measures for the Environmental Protection Acceptance of Completed Construction Projects and the Administrative Measures for the Collection and Utilization of Funds for the Disposal of Discarded Electrical and Electronic Products. Besides, the Group formulated a series of internal environment management policies such as the Notice on the Standardized Management of the Company, so as to operate and manage itself and its subsidiaries in a green fashion.

The Group has compiled green office policies to integrate environmental consciousness into staff’s routine, thereby saving energy and reducing emission for further standardization of the environmental efforts. This is how the Group fulfills its commitment to sustainable environment. During this Year, there was no breach of laws and regulations by the Group on air and greenhouse gas emissions, discharges into water and land, waste emission and noise pollution.

Owing to the construction works mostly undertaken by professional contractors, the Group’s greenhouse gas and air pollutant derive mainly from the utilization of electricity in workplace, and the use of vehicles in business operation. Therefore, the Group made a strong case for green transport which significantly cut the use of vehicles, reducing air pollutant emission from vehicles by an average of 51.5% and greenhouse gas emissions by 39.0% year on year. For the Year, the Group’s total greenhouse gas emission was 21,162 metric tonnes, and the total greenhouse gas emission density was 0.19 metric tonnes per sqm GFA.

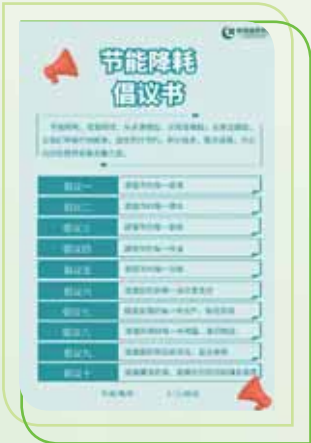


Measures to manage energy and reduce greenhouse gas/air pollutant emissions:

- opening curtains in the daytime to make full use of natural light (except on cloudy days)
- requiring our staff to turn off all of the electric equipment when leaving office
- encouraging our staff to take public transportation
- advocating green transport, such as taking public transportation instead of private cars
- cutting down unnecessary business trips
- cleaning and maintaining lightings and air conditioners on a regular basis (at least twice a year) to ensure their effective operation
- strictly controlling the use of air conditioners, such as turning off the air conditioners timely when there is nobody in the office for a prolonged period of time
- organizing tree-planting activities



Posting “Energy Saving and Emission Reduction” slogans



Energy-Saving Initiative

The Group refreshes its commitment to resources conservation. Particularly, the Group implements a series of environmental measures in terms of water conservation and management of hazardous waste and non-hazardous waste at office, as well as waste recycling by professional collectors. During this Year, the Group used municipal water supply, without any difficulty in sourcing water.

The measures for water conservation:

- Recycling rainwater for irrigation using sprays
- Applying water-saving equipments such as inductive water faucet
- Regularly checking toilets and washbasins for water leaks
- Posting water-saving slogans

The management measures for hazardous/ non-hazardous waste

- Advocating for a paperless office and encouraging duplex printing
- Advocating using employees’ own cups and lunch boxes
- Using rechargeable batteries instead of disposable batteries
- Ink cartridges are refilled and reused at least twice, and are recycled by professional collectors
- Promoting the “Clean Your Plate” campaign to encourage staff to take what they need




“Clean Your Plate” campaign

5.2 Green Buildings

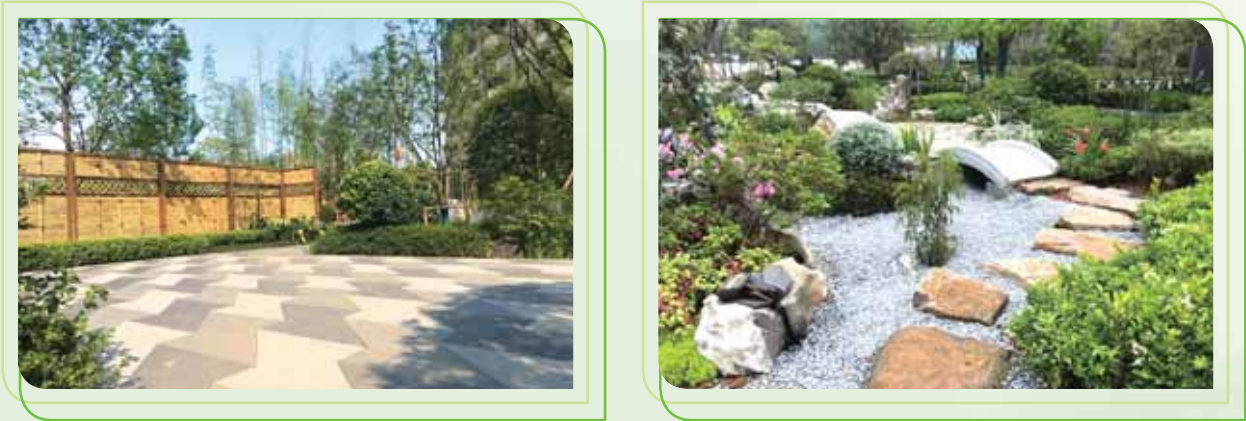
To put the ideas of “green” and “health” into architectural practice, Greentown China has made innovation in further exploring multi-dimensional development of green buildings. Among others, the Group released the “Green Building Implementation Manual”, “ Guidelines on Green Real Estate and Green and Healthy Building Design”, “Working Guidelines of Greentown China on Green and Healthy Residential Technology Standards ”, and vigorously promoted multi-dimensional trials and researches such as solar photovoltaic application, aiming to reduce the adverse impact of real estate projects on the environment and natural resources throughout their lifecycle. By the end of the Year, Greentown China boasted roughly 100 green buildings.

Green certifications for projects under construction as at the end of the Year

Green certifications		Total numbers	Cumulative area (0'000 sqm)
China Green Building Design Label	Three Star	10	2,582
	Two Star	78	
	One Star	9	
LEED		4	2,582
WELL		1	



By applying rainwater recycling, rain gardens, permeable pavement and concave green space, the Group has been improving the absorption, retention and mitigation of rainwater on the green areas, roads, plazas in the community, with a view to further control rainwater runoff, establish a positive water circulation system and conserve resources.



The Greentown China Construction Research Center keeps conducting research and development on materials and designs, like “shaped permeable blocks” and “rain gardens”, for sponge cities.

Greentown China continues to explore and optimize the application of prefabricated construction technology. In the course of the projects, prefabricated concrete, steel and wood structures as well as prefabricated interior designs were applied. The standardized smooth assembling process at the site may save labor force and materials while improving construction efficiency and quality, achieving green process from manufacturing of components to assembly for the purpose of environmental protection. In addition, approximately 70% of prefabricated steel structures may be recycled, which significantly reduces construction wastes and avoids dusts and noise pollution during traditional construction works, demonstrating the characteristics of green buildings. In 2020, 57.7% of total Greentown China projects under development are prefabricated construction projects.

Case: Prefabricated Steel Structure of Hangzhou Osmanthus Grace Project



The prefabricated steel structure of the project allows simultaneous cross-operation on multiple storeys. The average time consumed from earth excavation to building a 12-storey structure is 27 days shorter than the construction cycle of traditional structures, which saves labor force and materials as well as costs.

6. Giving back to Society

6.1 Charitable Branding Events

While developing its own business, the Group has also promoted the improvement of people’s livelihood and economic development by participating in and carrying out activities such as building a harmonious community to understand community needs. The Group takes an active part in or carry out social welfare activities every year led by the Party Committee and joined by labor unions, the Youth League Committee and other groups. In addition, charitable branding events of the Group also involve education, environment and well-tailored assistance.

6.1.1 The “Green Seedling Plan” (綠苗計劃)

Subsidiaries are encouraged to select suitable needy schools in the region to carry out staff donation and help with schooling activities. In the past four years, around 1,000 staff had joined the “Green Seedling Plan”, a public benefit activity with “Building Dreams for Children, Working Together for the Future” as its theme, making over RMB800 thousands worth of donations. Thanks to their efforts, schoolhouses were built, “children’s homes” and libraries were established, new school uniforms and stationery were delivered. The Group also established a “one-to-one” support programme with 88 poor students to help them complete their studies. To express warmth and create a brighter future, our staff visited impoverished areas of Sichuan, Yunnan and Tibet to care for the the locals through targeted support, project construction, condolence and lectures.



Greentown China Union visited Qingshan Primary School in Zhuji, Zhejiang Province in 2020.

6.1.2 “Growing Spring Breeze” (種春風)




Since 2015, Greentown has persevered with its “Growing Spring Breeze”, an oasis-building initiative, as a result of which, Greentown staff and homeowners had created a “Greentown Forest” in Minqin County, Gansu Province, one of the four major sandstorm areas in China, a feat that earned Greentown “Top 10 Property Brand Charity Case in 2020” during this Year. By the end of the Year, “Greentown Forest” had an area of 1,198 mu, with 83,860 Haloxylon trees planted, making it the largest public welfare forest in Minqin County, Gansu Province. Looking ahead, Greentown will continue to take practical actions in carrying forward ecological civilisation and fulfilling its social responsibility.



Greentown staff and homeowners planted trees in “Greentown Forest” in Minqin County, Gansu Province

6.1.3 “Greentown · Spring Breeze Campaign” (綠城·春風行動)

Over the past 20 years, “Spring Breeze Campaign” in Hangzhou greatly helped improve people’s livelihood and strengthen social governance by providing targeted assistance to low-income groups and people in need. In response to the campaign, the Group had contributed a total of RMB7 million by the end of this Year, and was therefore awarded the 20th anniversary award of “Spring Breeze Campaign” by the Hangzhou Municipal Government.



Contributed a total of
RMB 7 million
by the end of this Year

On top of that, through Greentown Charity Foundation, “Greentown · Spring Breeze Psychological Care”, a special organization, was set up to help people with depression and autism in Hangzhou. By actively conducting community mental health care activities such as “psychological science talks”, the Group expects to bring those families out of psychological difficulties.



6.2 Service System for Community Life

In 2007, the Group first launched the service system for community life, aiming to bring convenience and comfort to the people living in the community. In the future, the Group hopes that the service system for community life can further improve the overall urban living services, life quality and living environment.

Brand Activities Sharing

Case: “Dolphin Program”



By the end of this Year, “Dolphin Program” had become the largest and most influential community service project in China, which covers nearly 200 communities in 53 cities across the country and trained 150,000 children for free.

Case: "Maple Leaf Action"



In 2020, the "Maple Leaf Action" covered 70 cities across the country and more than 100 Greentown communities, bringing warmth and care to more than 10,000 elderlies.

Case: The 2nd National Cheongsam Conference of Greentown China



On 25 September 2020, the 2nd National Cheongsam Conference of Greentown China was held in Zhoushan, attracting a total of 1.65 million views and likes across the internet.

6.3 Combating the “COVID-19” Epidemic

In the face of the menacing COVID-19 epidemic, the Group would like the disclosure of relevant works to all interested parties be done with openness and transparency. At the beginning of 2020, the Group successively issued the Notice on Effectively Preventing and Controlling the COVID-19 Epidemic, the Notice on Further Enhancing the Prevention and Control of the COVID-19 and the Contingency Plan of the Headquarters of Greentown China for Preventing and Controlling the COVID-19, whereby a leadership group and a work group were quickly established for preventing and controlling the epidemic. The two groups are in charge of establishing a daily health reporting mechanism and tracking and managing people of all circles by levels and grades. On top of this, the two groups act promptly for purchasing enough supplies for epidemic prevention and control, intensify daily cleaning and further guarantee the safety and health of staff.

Actively assist the area hardest hit by COVID-19 epidemic

- A total of RMB10 million donated through Greentown Charity Foundation to hospitals and Red Cross in Wuhan, Hangzhou and Wenzhou, was mainly used for purchasing supplies for epidemic prevention and control or direct donations;
- We provided supplies for epidemic prevention and control amounted to approximately RMB1.2 million through the Greentown Living Group to the owners of Greentown communities, relevant hospitals, nursing homes, street communities in the area, public security and traffic police and other organizations and personnel;
- We promptly established a group responsible for purchasing supplies for epidemic prevention and control to ensure adequate purchases for donation supplies and epidemic prevention supplies for self-use;
- Our project specialists were assigned as consultants to the Command of Huoshenshan Hospital Project to participate in the construction and the design of construction proposals;
- Institutions of Greentown arrived at Wuhan to provide targeted support for medical and nursing works;
- We were awarded the title of “Hero of Zhejiang Business against Epidemic” by Zhejiang Daily and Zhejiang Business Think Tank, etc.



7. Environmental and Social Performance
Environmental Performance Indicators

The key emission data of the Group:

Greenhouse gas emission (scope 1 and scope 2)	2020 ²	2019	2018	Unit
Vehicle emission (scope 1) ³	1,150	1,886	1,083	metric tonnes
Greenhouse gas offsetting by trees (scope 1) ⁴	-9.89	-17.71	-5.41	metric tonnes
Electricity consumption emission (scope 2) ⁵	20,021	19,533	11,862	metric tonnes
Total greenhouse gas emission	21,162	21,401	12,940	metric tonnes
Total greenhouse emission density ⁶	0.19	0.2	0.14	metric tonnes/sqm GFA

Air pollutant emission from vehicles ⁷	2020	2019	2018	Unit
CO emission	6,392	11,944	9,621	kg
NO _x emission	2,768	5,643	2,382	kg
SO _x emission	5.01	12	6.87	kg
PM _{2.5} emission	103	210	90	kg
PM ₁₀ emission	114	233	99	kg

² During the Year, the environmental statistics of the Group mainly included a total of 50 companies, consisting of the headquarter of Greentown China and the headquarters of each subsidiary and its respective project companies. In this section, if there is no specific explanation on the scope of statistics, the statistical subjects represent the environmental statistical information of the 50 companies mentioned above.

³ The calculation of greenhouse gas emissions and relevant emission factors of automobiles (scope 1) are based on the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions in Enterprises in Other Industries (Trial)* and the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Land-based Transportation Enterprises (Trial)* published by National Development and Reform Commission of the People's Republic of China.

⁴ The emission reduction factors of trees were based on the factors set out in *Reporting Guidance on Environmental KPIs* in Appendix II to *How to Prepare an ESG Report*.

⁵ The calculation of greenhouse gas emissions and relevant emission factors of outsourced power (scope 2) is based on the *National Power Grid Average Emission Factor in 2015* published by National Development and Reform Commission of the People's Republic of China.

⁶ The denominators used for calculation of greenhouse gas emission density were the office area included in the Company's environmental statistics.

⁷ The calculation of air pollutant emissions of automobiles is based on the *Guidelines for Air Pollutant Emission for Motor Vehicles (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

Data of major resources consumption of the Group:

Resources consumption	2020	2019	2018	Unit
Total electricity consumption	32,816,257	31,417,893	16,742,268	kWh
Electricity consumption intensity	295	297	178	kWh/sqm GFA
Total fuel consumption (vehicle petrol)	410,188	609,265	409,565	litre
Fuel consumption intensity (vehicle petrol)	2,868	3,584	2,660	litres/per vehicle
Total fuel consumption (vehicle diesel oil)	66,646	169,587	45,418	litre
Fuel consumption intensity (vehicle diesel oil)	3,703	7,066	4,129	litres/per vehicle
Total fuel consumption (vehicle liquefied natural gas)	0	0	0	litre
Fuel consumption intensity (vehicle liquefied natural gas)	0	0	0	litres/per vehicle
Total fuel consumption (vehicle ethanol gasoline)	3,150	5,333	260	litre
Fuel consumption intensity (vehicle ethanol gasoline)	1,575	1,778	260	litres/per vehicle
Total water consumption	2,241,648	1,860,133	1,108,315	metric tonnes
Total water consumption density ⁸	20	18.25	12	metric tonnes/sqm GFA

⁸ The denominators used for calculation of total water consumption density were the office area included in the Company's water consumption statistics.

Data of major hazardous and non-hazardous waste of the Group:

Production of hazardous waste	2020	2019	2018	Unit
Fluorescent light tube	1,383	1,382	1,370	piece
Waste battery	464	467	303	kg
Ink cartridge	1,863	1,896	1,265	piece
Waste liquid after facilities maintenance	16	25.8	21	litre

Production of non-hazardous waste	2020	2019	2018	Unit
Paper waste	19,417	19,802	27,016	kg
Paper waste intensity	0.17	0.19	0.29	kg/sqm GFA
Paper recycling	10,293	10,229	9,991	kg
Metal waste	82	103	117	kg
Metal waste intensity	0.001	0.001	0.001	kg/sqm GFA
Metal recycling	278.8	535.7	30	kg
Plastic waste	1,687	694	821	kg
Plastic waste intensity	0.015	0.007	0.009	kg/sqm GFA
Plastic recycling	433	653	140	kg
Glass waste	306	136	145	kg
Glass waste intensity	0.003	0.001	0.002	kg/sqm GFA
Glass recycling	117	63.74	17	kg

Social Performance Indicators

Data on the Group’s employees by gender, age group and geographical area.

Employee	2020	Unit
Total number of employees	8,081	persons
By gender		
Male	5,150	persons
Female	2,931	persons
By age group		
Below 30	2,375	persons
30-49	5,516	persons
50 and above	190	persons
By geographical area		
Zhejiang	4,497	persons
Non-Zhejiang	3,584	persons

Data of suppliers which the head office and regional companies cooperated with during the Year:

Companies	2020	Unit
The head office	141	companies
Zhejiang Region	37	companies
Shandong Region	17	companies
Northern Region	27	companies
Eastern Region	15	companies
Southern Region	12	companies
Southwest Region	6	companies
Town Group	5	companies

APPENDIX 1: CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspects	Indicators	Content of Indicators	Disclosure	Location in the Report
Environment				
A1: Emissions	General disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste	✓	Green Management
	A1.1	The types of emissions and respective emission data	✓	Environmental Performance Indicators
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	✓	Environmental Performance Indicators
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	✓	Environmental Performance Indicators
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	✓	Environmental Performance Indicators
	A1.5	Description of measures to mitigate emissions and results achieved	✓	Green Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	✓	Green Management
A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	✓	Green Development
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	✓	Environmental Performance Indicators
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	✓	Environmental Performance Indicators
	A2.3	Description of energy use efficiency initiatives and results achieved.	✓	Green Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	✓	Green Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable to principal business	
A3: The Environment and Natural Resources	General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	✓	Green Development
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	✓	Green Development

Aspects	Indicators	Content of Indicators	Disclosure	Location in the Report
Society				
B1: Employment	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	✓	Safeguarding Staff's Interest
B2: Health and Safety	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	✓	Valuing Employees' Health
B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	✓	Facilitating Employees' Development
B4: Labour Standards	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	✓	Safeguarding Staff's Interest
B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain	✓	Conducting Transparent Procurement
B6: Product Responsibility	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	✓	Steady and Healthy Development Integrity and Honesty
B7: Anti-corruption	General disclosure	Information on: (a) the policies; and (b) compliance with the information in relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	✓	Safeguarding Legitimate Operation
B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	✓	Giving back to Society