

# 2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



GREENTOWN  
SERVICE

 綠城服務集團有限公司  
GREENTOWN SERVICE GROUP CO. LTD.

a company incorporated under the laws of the Cayman Islands with limited liability

STOCK CODE: 2869

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# About the Report

## Overview

This is the seventh Environmental, Social and Governance Report (the "Report") issued by the Greentown Service Group Co. Ltd. (the "Greentown Service", the "Group", "us", "we" or "our"), presenting the management practice and performance in the aspects of environment and social in 2022.

### Reporting Period

The Report is an annual report for the period from 1 January to 31 December 2022 (the "Reporting period"). To enhance the readability of the Report, some contents or data relate to previous or subsequent years.

### Organisational Structure

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 here were extracted from the internal documents, reports and other documentation that keeps track of the progress in satisfying performance obligations of the Group.

### Basis of preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide, Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and also refers to the following guidelines:

- The Global Reporting Initiative's ("GRI") 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 Paper<sup>1</sup>-Stakeholder Capitalism Metrics from World Economic Forum International Business Council
- IFRS S1 General Sustainability-related Disclosures (draft S1)
- 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 (draft S2)

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



## Reporting Principles

The 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 the 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 27 of the Listing Rules, the criteria used for the indicators involved in the calculation are detailed in “5.1 Earth Care and Environmental Protection”. 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:** The Report objectively, fairly and truly discloses the Group’s work performance and practice in environmental and social matters in 2022, and discloses the problems encountered and improvement measures in a responsible manner.

**Consistency:** The Group follows a consistent statistical method for disclosure. In the Report, we have maintained the same statistical method for the information as disclosed in the previous year’s Report. For the information disclosed for the first time, the Group will adopt a consistent statistical method for ESG information disclosure in subsequent years, in order to facilitate meaningful comparisons from year to year.

## Access to and Feedback on the Report

The Report will be posted on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the official website of the Group (<http://www.lvchengfuwu.com>). Please email ([ir@lvchengfuwu.com](mailto:ir@lvchengfuwu.com)) your thoughts and suggestion on our ESG Report or our ESG performance with us.



# About the Group

## Overview

Established in 1998 and headquartered in Hangzhou, Zhejiang Province, Greentown Service is a digital, platform-based and ecological modern service enterprise with property services as its foundation, life 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, it has been awarded as one of the "China's TOP100 Leading Enterprises in Terms of Property Service Satisfaction".

## Awards and Honours

China's TOP100  
Leading Enterprises in  
Terms of Property Service  
Satisfaction



2022 Top 100  
Property Management  
Companies in China



2022 Top 5  
Market Expansion  
Capabilities of Leading  
Listed Property  
Companies



2022 China's  
leading high-end  
property services  
company



2022 Top 5  
Business Performance  
of Leading Companies  
Listed on Property



2022 China  
Property Annual  
Branding Excellence



Various awards  
received for Happiness  
Land in 2022





## Message from the Leadership

Dear Friends of Greentown Service,

2022 was a year of significance in promoting the transformation of community living services and urban services. In the face of a complex and changing world, we are proactive in our defence and agile in our response. 2022 was also a year of integration as the Group focused on integrating market and product interfaces to enable the provision of domestic services and products, and an innovative organised internal mechanism for customer-based and product-based empowerment.

As at the year of 2022, Greentown Service focused on owner's satisfaction, and is pragmatic in terms of upgrading the quality of basic services and enriching the content of life services. Leveraging basic property services such as the four protection projects of security, maintenance, environment, and greening as the core of community co-construction and co-governance, we ensure the consistency, sustainability and stability of our service quality. We focus our domestic services on the four happiness plans of "recreation, learning, joy and longevity" to construct the community as a spiritual home for all. Starting from Hangzhou, the Group implements a new campus governance model, the "Happiness Land Model" across the country. As at the end of the Reporting Period, 30 provinces, 196 cities, more than 1,200 residential communities. In terms of society, Happiness Land is a new model of community governance, where harmony and coexistence, beauty and harmony are shared. To the industry, Happiness Land is the transformation and upgrading of property services, integrating governance and transformation. To the owners, Happiness Land is a place of good living, where everyone is familiar with each other and good neighbours. To us, Happiness Land is a carrier of value innovation, driving change and leading value.

The transformation from property services to domestic services, and from the community business to elderly and childcare is a process highlighting cultural and technological values. The Greentown Intelligent Property Platform and the Greentown Digital Innovative Platform have been successfully rated at Capability Maturity Model Integration Level 5 (CMMI5) and we have become the first service provider in the pan-community industry to obtain this certification. We have created solutions with integrated software and hardware, demonstrate our support of urban and rural prosperity and digital transformation of property service providers with quality and inclusiveness. Greentown Service has been exploring the possibilities of the Zhejiang model of modern communities with integrated services and has accepted dozens of future community projects. We are rapid in deploying our green development of non-residential products and markets, improving product capabilities in service scenarios such as super high-rises, Grade A office buildings, industrial parks, corporate headquarters, financial institutions, railways, event stadiums, schools and hospitals.

The industry is at a crossroads, facing imminent overhaul and innovative iterations. Going forward, Greentown Service will create an organic and harmonious ecosystem of employees, property owners and society adhere to the vision of "happy life service provider", We take the path of long-term value by providing diversified domestic services and single-city project services of higher intensity, breadth and depth, optimising organisational efficiency and improving service effectiveness. For our team, for property owners, for more people and also for ourselves, we make life better!

**Yang Zhangfa (Chairman of the Board)**

*April 2023*



# Table of ESG KPIs

## Market



### Ranking first

Ranking first in the industry in 2022 survey of comprehensive satisfaction<sup>2</sup>

### 30 provinces and 215 cities

Operation covering 30 provinces (municipalities and autonomous regions) and 215 cities

### 2,630

2,630 managed projects

### 384

384 million square metres under management

### 14,856

Operating income RMB14,856 million

### 547

Net profit attributable to shareholders of the listed company RMB547 million

## Social



### 44,495

44,495 employees as at the end of the Reporting Period

### 50.9%

Percentage of female employees is 50.9%

### 1,277

1,277 projects under the "Happiness Land" co-governance model across the country

### 9,429

9,429 emergency drills

### Certified

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

### 61.80

The average length of training for employees is 61.80 hours

## Environment



### 3,435

3,435 special environmental quality improvement activities

### Certified

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

### Certified

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

\* All the above are as at the end of 2022 or the current year 2022.

<sup>2</sup> China Index Academy 2022 Survey on Urban Residents' Satisfaction in China



# 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 environmental, social and governance risks, and ensuring that Greentown Service establishes appropriate and effective environmental, social and governance 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 and approving the Report.

In view of the external environment and group 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. 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.

The Report discloses Greentown Service’s ESG progress and performance in 2022. The Board, as the highest responsible and decision-making body for ESG matters, ensures that the contents of the 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: Happiness Land Paints a Co-governance Picture in the Community Landscape

## Better Life and Mutual Happiness

Under the leadership of the Party committee, the Greentown Service “Happiness Land” is a new model of community governance based on the Committee of Property Owners and supported by the community leads. All property owners are participants, and the Community Service Centre is responsible for implementing the model of crowdfunding, co-construction, autonomy and sharing.

Greentown Service’s “Happiness Land” cultural implications:

crowdfunding, co-construction, autonomy and sharing



①Community Party Committee (Neighbourhood Committee): the leading part in the “Happiness Land” co-governance model.



②Committee of Property Owners: the body plays a major role in the “Happiness Land” co-governance model.



③“Happiness Land” community leads: owner representatives from each residential building.



④Community Service Centre: the entity responsible for implementing the “Happiness Land” co-governance model.



Greentown Service has been taking an active part in the Modern Community Project since its launch. As the 4th pilot of the “Party Connecting with People in a Matrix of Urban Communities Program” (黨群連心·網絡走親) in Liandu District, we took the initiative to organise 33 owners from various communities who worked in the medical profession. These owners then formed a medical volunteer team to provide regular free clinic consultation in the evening, such as measuring blood pressure, checking the expiry date on medicine packaging and label, providing convenient medical services to nearby residents at their doorstep, which received widespread positive feedback from residents.

— Han Wei, Happiness Land lead in one of Greentown residential communities



# Topic: Happiness Land Paints a Co-governance Picture in the Community Landscape

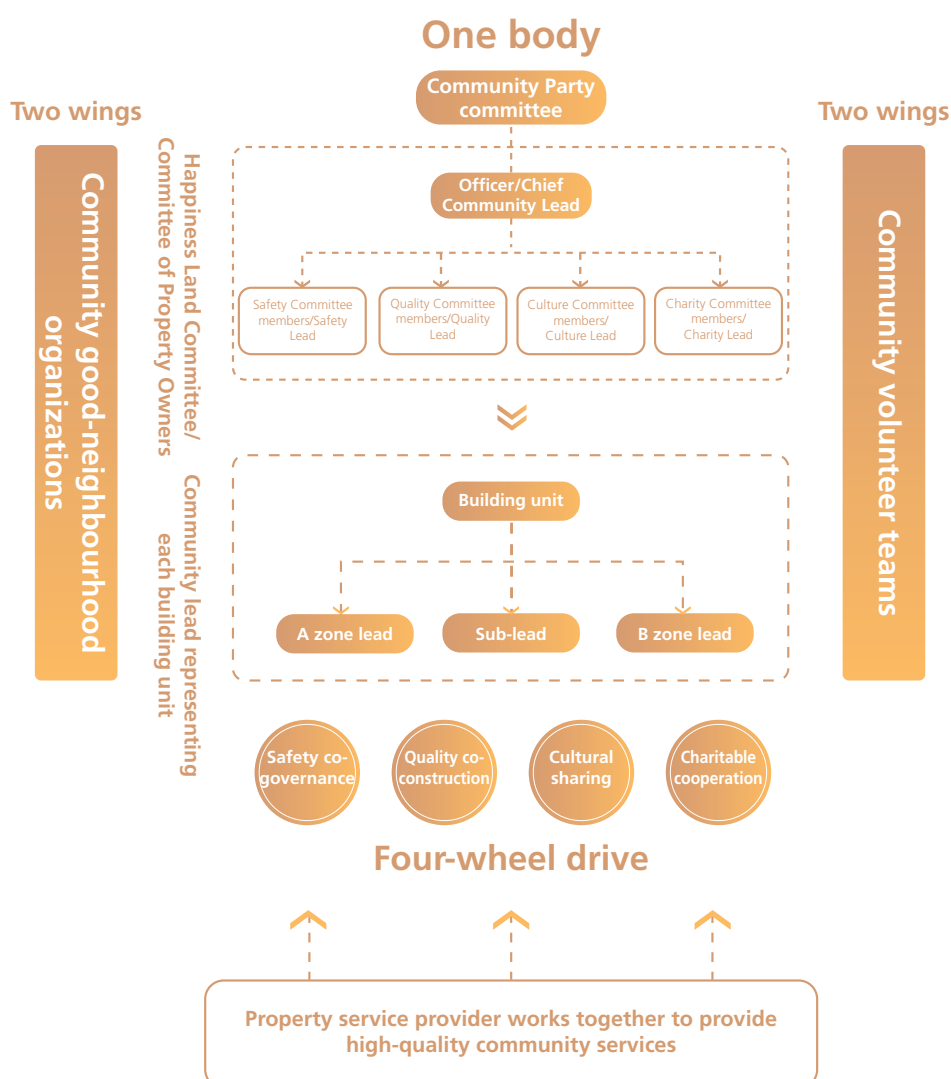
## Happiness Land Organisational Structure

Greentown Service's "Happiness Land" forms a three-dimensional organisational structure of "one body, two wings, tripartite governance and four-wheel drive".

**One body and two wings:** a three-dimensional organisational structure built on one body of "the Community Party committee, the Committee of Property Owners and community leads" and two wings of community organisations and volunteer teams.

**Tripartite governance:** a co-governance model relying on the three parties of the Community Party committee, the Committee of Property Owners and the Property service provider to create a multifarious co-governance model under which service goals, service products, service processes and service concepts are shared.

**Four-wheel drive:** a happy community atmosphere by carrying out activities focusing on four aspects of safety co-governance, quality co-construction, cultural sharing, and charitable co-operation.



A co-governance team of owners under the "one body, two wings, tripartite governance and four-wheel drive" model

## Community Construction for Collaborative Development

Happiness Land has launched the following products: Party Education Space, discussion mechanism, Happiness Land Pact, patrolling mechanism, security safeguard, sincere care, good-neighbourhood associations.



# Topic: Happiness Land Paints a Co-governance Picture in the Community Landscape

## Happiness Land Effects

In 2022, there were 1,277 projects under the Greentown Service's "Happiness Land" co-governance model across the country. Under this model, a total of 873 community volunteer teams were formed, 528 Party education space were created, and 401 AED first aid kits were equipped. Throughout the year, the Happiness Land model had made the following records: 3,833 tripartite meetings, 7,084 Happiness Land Pacts, 52,153 inspections by community leads, 11,702 elderly visits, 1,417 Elderly Care schemes, 1,187 Children Star schemes, 831 psychological health seminars, 2,380 plus first aid training sessions.

The Group has been staying true to its people-oriented and customer-oriented service aspiration and the service vision of "making life better" to enable more property owners to get involved in domestic services. Everyone governs and decides on his or her own, and everyone serves and is served by others.



there were **1,277**  
projects under the Greentown  
Service's "Happiness Land" co-  
governance model across the country



Happiness Land initiates special activities including Sunrise Project, Sunshine Project and Guardian Project through multi-dimensional integration based on security culture.

## Sunrise Project

Case 1

To give property owners a stronger sense of security, Greentown Service has been taking the “Sunrise Project” special action since August 2022. At the monthly tripartite community meetings, various parties jointly discuss, deliberate and decide security issues, prepare plans for project security management and organise publicity campaigns of children and elderly security during holidays covering a total of 1,338 residential projects which contains uncovered projects of Happiness Land.



• “Sunrise Project” site



## Topic: Happiness Land Paints a Co-governance Picture in the Community Landscape

### Sunshine Project

Case 2

To ensure the safety of community equipment and facilities, Greentown Service has been carrying out the "Sunshine Project" since November 2022. Co-governance forces, such as community leads have been organised to conduct 5,314 inspections on fire equipment, on facades and publicity campaigns of safety knowledge.



• "Sunshine Project" site inspection

### Guardian Project

Case 3

To build a safe, harmonious and happy community, and effectively prevent safety accidents involving children, Greentown Service Group has been organising the "Care for Children, Safeguard Their Future" Guardian Project special activities since December 2022 a total of 1,000 "Happiness Land" projects carried out relevant activities.



• "Guardian Project" community leads' signing scene

To jointly build a “firewall” for children’s healthy growth, and integrate community co-construction efforts from the youth perspective, Youth Councils have been established in communities in various regions to ensure the healthy growth of children, maintain the safety of the communities, and make life better and happier together.

#### Youth Power — Haishu District Youth Council

Case 4



• Youth Council meeting

In June 2022, more than 10 young community leads from the Greentown Happiness Land in the Beichen Mansion community (北宸府園區), Ningbo, established Haishu District Youth Council under the guidance of the Party Committee in the community and elected the chairman of the Youth Council. The Council has been involved in youth-friendly community construction from the youth perspective. The community and the property service team listen to children’s suggestions and host a variety of activities monthly by making use of high-quality cultural education resources.

In line with the co-governance culture, a number of communities have adopted a “1+3+N” grass-roots governance model to create a community culture of public affairs, public discussion and public participation.

#### Elderly Power — community affairs discussion at the hexagon pavilion

Case 5

At the beginning of 2022, Mr. Wu, a 90-year-old owner from the Yulan Garden community (玉蘭花園園區) in Hubei organised elderly residents in the community to give their opinions and suggestions to the property service and then address various affairs through tripartite discussion. The hexagon pavilion without doors and walls attracts residents from 30-year-olds to 90-year-olds to participate in co-governance to solve various difficult issues in the community.



• Hexagon pavilion discussion photo







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# 01



## Sustainability Management

This section responds to UN Sustainable Development Goal 17





**17** PARTNERSHIPS  
FOR THE GOALS



# Sustainability Management

## 1.1. Sustainability Targets

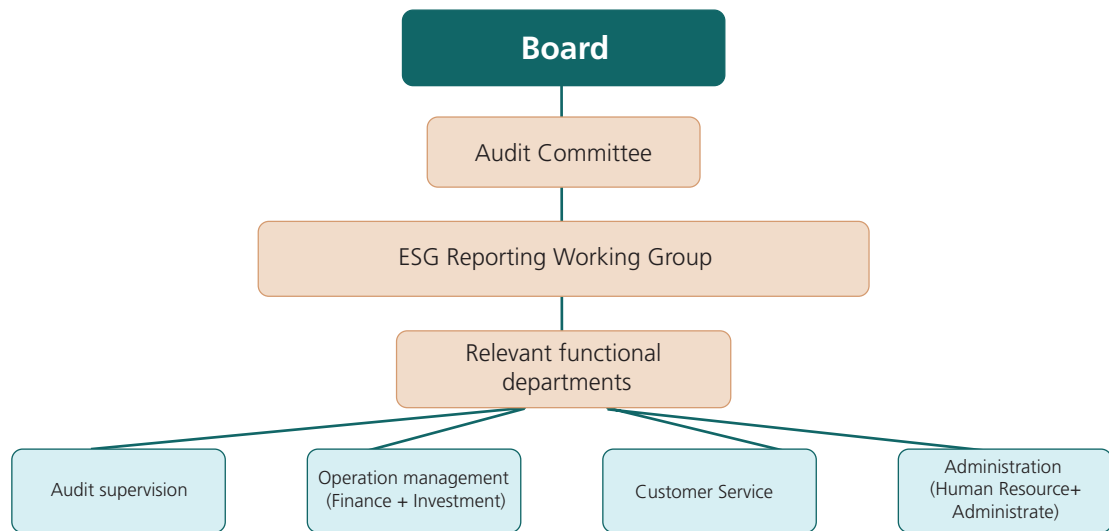
The Group continue to review our internal sustainability governance strategy and improve our policies and practices. At the same time, the Group will continue to strengthen communication with stakeholders to further enhance the Group's environmental and social performance and create long-term value for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

Our Sustainable Development Goals:		
 <b>Business</b>	Ethics and governance	<ul style="list-style-type: none"> <li>Conduct business with integrity and in compliance with all applicable laws and regulations to maintain high levels of corporate governance, a high-quality board of directors, sound internal controls, high levels of transparency and accountability to all stakeholders</li> </ul>
	Environmental management	<ul style="list-style-type: none"> <li>Regular monitoring of various environmental parameters to minimise related environmental impacts</li> </ul>
 <b>Environment</b>	Climate change strategy	<ul style="list-style-type: none"> <li>Review the Group's approach to climate change and develop a sustainability plan to identify and address related physical and transition risks and opportunities</li> </ul>
	Care for employees	<ul style="list-style-type: none"> <li>Provide adequate support to employees and strengthen good relations with employees</li> </ul>
 <b>Employees</b>	Talent cultivation	<ul style="list-style-type: none"> <li>Foster an environment of continuous learning and encourage employees to develop their careers within the Group</li> </ul>
	Diversity and inclusion	<ul style="list-style-type: none"> <li>Respect the labour and human rights of all employees, clearly define human resource management policies, and promote a culture of inclusion within the Group</li> </ul>
	Wok safety	<ul style="list-style-type: none"> <li>Promote a healthy and safe working environment</li> <li>Achieve the objective of zero fatal accidents in the workplace</li> </ul>
 <b>Community</b>	Community investment	<ul style="list-style-type: none"> <li>Cooperate with local charities to support the underprivileged and those in needy</li> <li>Provide jobs and training opportunities for young people</li> </ul>
	Quality service	<ul style="list-style-type: none"> <li>Improve the quality, safety and environmental benefits of service management through innovative technology, giving owners a better experience</li> <li>Comply with all applicable data protection and cybersecurity regulations and minimise the risk of business disruption from cyberattacks</li> </ul>
	Responsible procurement	<ul style="list-style-type: none"> <li>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</li> <li>Only work with suppliers and business partners who adhere to our requirements</li> </ul>

## 1.2. ESG Governance

The Board has always assumed the role of the 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 Group



## 1.3. 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
<b>Target &amp; focus</b>	<ul style="list-style-type: none"> <li>Business strategy and operating performance</li> <li>Protect shareholder's legal rights</li> <li>Business sustainability</li> <li>Company transparency</li> </ul>	<ul style="list-style-type: none"> <li>Salaries &amp; welfare</li> <li>Guarantee of rights and interests</li> <li>Career development</li> <li>Safety and health</li> <li>Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>Service quality</li> <li>Instant feedback</li> <li>Privacy protection</li> <li>Customised services</li> </ul>
<b>Method of communication and exchange</b>	<ul style="list-style-type: none"> <li>The general meetings</li> <li>Investors' communication</li> </ul>	<ul style="list-style-type: none"> <li>Customer Supervisor Systems</li> <li>Employee survey</li> <li>Enhance information feedback</li> </ul>	<ul style="list-style-type: none"> <li>Customer opinion survey and feedback</li> <li>Customer satisfaction survey</li> <li>Customer service centre and complaint hotline</li> </ul>
<b>Key actions</b>	<ul style="list-style-type: none"> <li>Hold general meetings regularly</li> <li>Hold board meetings regularly</li> <li>Hold meetings with investors</li> <li>Disclose statutory issues in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Enhance trainings for employees in respect of technical skills</li> <li>Improve living and working environment for employees</li> <li>Guarantee employees' rights and benefits, and upgrade their welfare level</li> <li>Health and safety guarantees for employees</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing service quality</li> <li>Conduct regular customer satisfaction surveys</li> <li>Respond to client complaints and provide them with feedback in a timely manner</li> <li>Earnestly protect customer privacy</li> </ul>
<b>Key performance indicators</b>	<ul style="list-style-type: none"> <li>Stock value and dividend returns</li> </ul>	<ul style="list-style-type: none"> <li>Employee training</li> <li>Remuneration and welfare system</li> </ul>	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Solutions for handling customer privacy cases</li> </ul>

## 1.4. 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 Guidelines*. The Group focuses on areas such as sustainability management, employee benefits and entitlements, employment management and labour guidelines, 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:

<b>Identification</b>	<ul style="list-style-type: none"> <li>Refer to the ESG Guide of the Hong Kong Stock Exchange, group 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.</li> </ul>
<b>Collection of opinions</b>	<ul style="list-style-type: none"> <li>Conduct a survey and invite stakeholders including the Board, employees, suppliers and customers to evaluate the materiality of each issue from their own perspectives.</li> </ul>
<b>Prioritisation</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Confirmation</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>



### Greentown Service's 2022 Material ESG Issues

#### Materially 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. Exhaust emission management | 15. Responsible marketing |
|----------------------------------|--------------------------------|---------------------------|







# 02



## Compliance, Governance and Integrity

This section responds to UN Sustainable Development Goal 16





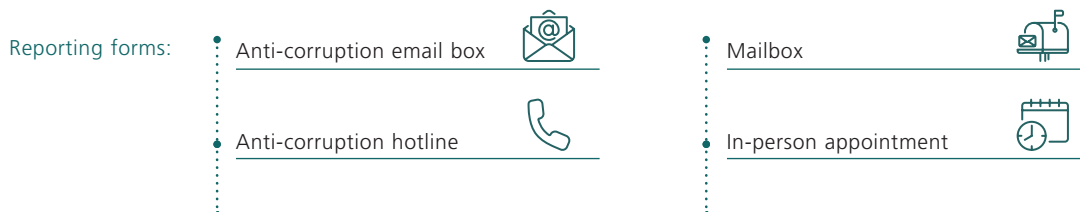


# Compliance, Governance and Integrity

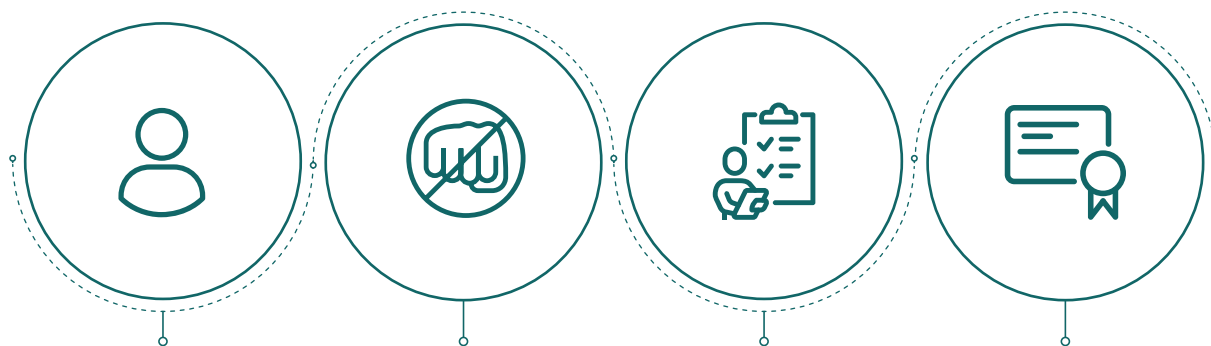
## 2.1. Business Ethics and Risk Control

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, supervisors, 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 Centre.

The Group has established a reporting channel and an investigation mechanism. 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”.



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 relevant department.

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

### Investigation of reports:

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

### Rewards to whistleblowers:

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

## 2.2. Integrity and Anti-corruption

During the Reporting Period, 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".

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

In 2022, the Group conducted the following anti-corruption training and activities:

**Breeze series  
including "four  
internal control  
inspections" and  
"Anti-corruption  
Month" activities**

- "Four Internal Control Inspections" activities. From the four perspectives of self-inspection, mutual inspection, random inspection and general inspection, 1,811 projects have been subject to internal control inspections, the internal control deficiencies identified were addressed promptly to minimise the fraud risk. The Group completed inspection of 146 projects to identify and address deficiencies, reinforce preliminary results and increase the depth of the inspections.
- "Learning anti-corruption regulations, set an anti-corruption role model, take anti-corruption measures and understand anti-corruption knowledge" in the "April — Anti-corruption Month" special activities. We promoted an anti-corruption culture to create a working environment of integrity. A total of 61,233 personnel (including some of suppliers' employees) participated in these activities, and they generated 3,315 anti-corruption suggestions and 392 anti-corruption movie reviews.

---

**Training activities**

- A total of 61,233 personnel (including some of suppliers' employees) participated in the "Learning Anti-corruption Regulations" activities during the Anti-corruption Month to learn anti-fraud management policies and system, and all participants have passed the training quiz.
- The Group developed anti-corruption training materials "Adhering to the Professional Bottom Line and Building a Prosperous Greentown" for employees other than project managers to spread anti-corruption knowledge. A total of 2,214 employees participated in the training throughout the year.
- We have developed "Courses on Internal Control" for all employees to share knowledge on risk control. The employee training was designed for project managers and above at 4 companies in Hangzhou, Beijing, Hunan and Anhui, a total of 500 employees.

As the "April – Anti-corruption Month" activities go on, 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 help enhance employees' anti-corruption awareness and response, so that they have better understanding of the anti-corruption system.

# Compliance, Governance and Integrity

## 2.3. 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" 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. The Group has also engaged professional lawyers to work with persons in charge of various entities to hold a special training on the "Application of Data Compliance in Property Services", based on which online course materials have been developed and made available for all employees. The Group has also provided courses such as "Data Security and Data Construction Management" and "Data Construction Requirements Specification" in the form of offline thematic sessions + online courses for all staff, taking into account the business reality. During the Reporting Period, no incident of information security or leakage occurred in the Group. The Group attaches great importance to the protection of intellectual property rights and strictly complied with the relevant requirements of intellectual property laws and regulations.

### 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.



- Application of the Digital Dashboard in the abnormal inspection



In addition, The Group has also worked on the Smart Community solutions. For example:

- smart service system construction and digital hardware upgrade in the Dayang Future Community in Linhai City (臨海市大洋未來社區) Digitalisation Project;
- the Gexiang Future Community Project (葛巷未來社區項目) with a vision for a better life as the central goal;
- and the Cui Guang Future Community in Longyou County (龍游縣翠光未來社區) Digitalisation Project, which upgraded the old city centre and integrated resources utilisation.

The Group updated the Greentown Life application to:

- Add a visitor mode. The mode supports non-registered users to view and use certain services for the convenience of more residents.
- The upgraded Greentown Life application version 5.0 reconstructs the homepage service, optimises the page design, highlights common functions and displays four happiness plans of “recreation, learning, joy and longevity”, the average number of daily active users and the average number of daily application launches increased by 6.9% and 6.74% respectively after the upgrade.
- For the convenience of the elderly, the elderly mode was launched to strengthen mainstream functions, e.g., enlarging text buttons, simplifying operation steps, etc.
- The Happiness Land module was also upgraded to allow more owners to participate in community governance for a safer community and a better home. It also allows owners sharing similar expertise and hobbies to gather together and participate in voluntary services and community activities.







# 03



## Strong Accountability and Customer First

This section responds to UN Sustainable Development Goal 4, 5, 8







# Strong Accountability and Customer First

## 3.1. Excellent Service, High Quality

Greentown Service has adhered to the core values of “Sincerity, Goodwill, Delicacy and Perfection” in providing a quality service to property owners. According to the results of the 2022 China Urban Residential Satisfaction Survey conducted by the China Index Academy, Greentown Service ranked first and further expanded its lead in terms of overall satisfaction with services in 2022, which was higher than the industry average.

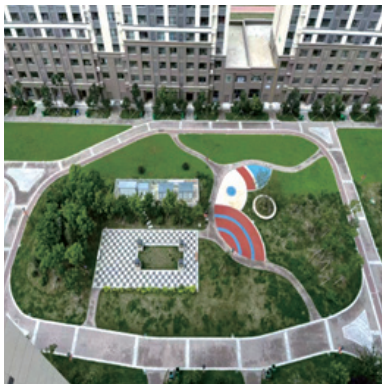
During the Reporting Period, the Group complied with the requirements of laws and regulations relating to applicable product liability in different business areas, including customer health and safety, business promotion, labelling, protection of consumer and privacy data, etc. Our business is less involved in advertising, mostly poster promotion, and does not involve labelling. However, the Group requires all business segments and projects under management to ensure the truthfulness and accuracy of promotional information and to eliminate false and exaggerated promotion in accordance with the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and related laws and regulations.

### Improve Service Quality

In 2022, in order to achieve satisfaction targets, Greentown Service carried out 3,435 community activities throughout the year on various aspects such as quality improvement actions and community co-governance.



carried out **3,435**  
community activities throughout the  
year



• Environmental Greening Actions



“

1

100-Day Action — property repair and improvement with a goal to eliminate the dilapidated situation of real estate projects. We have established group, city company, project-level task forces, set the frequency of supervision at each level to actively identify the problem, investigated the problem at each level, introduced experts for important and difficult problems, made monthly notification on progress of rectification.

2

Warning card removal campaign, for 111 projects that got red or yellow warning card for quality issue in 2021, we carried out rectifications with a goal of eliminating quality weaknesses. The projects that ranked low in the quality evaluation were issued warning cards by group executives, and the remaining projects were issued warning cards by general managers of the city companies to focus on the closed-loop improvement of project problems through guidance instead of supervision and regional linkage. After a year's effort, a warning card removal rate of 94.2% has been achieved.

3

Beautify the park environment, the whole group level according to the strong seasonal characteristics of greening, such as spring, summer, sun, golden autumn, overwintering and other environmental greening special action, greening important and difficult issues to carry out a focused attack, spring and autumn focus on seedling replanting, summer focus on turf management, weak and large modelling tree rejuvenation, drought and water saving efficiency, anti-typhoon, winter focus on tree and shrub pruning, winter cold protection, greening cutting edge and other details to improve, to convey the progress of work on quality improvement, so that owners understand our determination and action to improve quality, to increase the owners' perception, to create a green and lush park environment.

”

#### — A project in Huzhou successfully removed the warning card with a refreshed look

Case 6

This project ranked the last in the 2021 satisfaction survey conducted by a third party and got a warning card in the 2021 mystery visitor visits. In 2022, after many efforts, we secured funding from the greening outsourcing unit as well as the general contractor for the project's greening, invested supporting greening rectification funds in a sum of RMB280,000, for the greening purpose and dealing with the park's dilapidation and other issues. After communication with the owner and compliance approval, the maintenance fund was invested for the quality improvement of the project and the renewal of the park. The project was also successfully removed warning card in the 2022 warning card removal campaign.

### Eliminate safety hazards

Every year, the Group conducts safety publicity and training 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. In August 2022, the Group organised the sixth season of the Wooden Lotus Project with the theme of “Wooden Lotus, Safety for Children”. 995 activities were held throughout the Group, with kids of property owners participating of 19,313 person times and 9,033 family escape maps drawn. Through activities such as young owners visiting the fire stations near the community, drawing family escape maps and recording the “Blue Flame in My Eyes” story-telling video, the Group enhanced the fire safety awareness of young children in the community, improved their ability to prevent and resist fire, and complemented the safety education in schools and families to jointly build a “firewall” for children's safe growth.

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. Currently, more than 6,000 security guards have joined the Greentown Service Vigilante Alliance.





# Strong Accountability and Customer First

## Enhanced customer communication

In 2022, we received a total of 47,730 complaints with a satisfaction result quantitative standard of 96%. The sources of complaint information are divided into: visits, calls, letters, SMS, WeChat, Greentown Life application, internet postings, media reports and referrals from other organisations. We are the first to understand the causes of complaints and analyse them, provide solutions to solve the problems, and communicate and coordinate with customers on the complaints.

In response to customer complaints, we deal with them in the following ways:



- The staff member who receives the complaint information is the first person responsible for the complaint and should record the complaint in detail (including the complaint, time, place, person involved, name, address and contact information of the complainant, etc.) and promptly notify the responsible unit, the person in charge of the department's customer service or the Group's Customer Service Experience Centre, and at the same time start the complaint handling process and urge the person responsible for the complaint handling to contact the owner within one hour. The person responsible for handling the complaint should contact the owner within one hour and appoint a person to arrive at the scene of the complaint within two hours; if it is impossible to arrive, the person responsible for the first question must obtain the owner's understanding and agree on a specific time. In principle, common problems should be replied to the owner within 12 hours and difficult problems within 24 hours; in special cases, a specific time for reply should be agreed with the owner.



- In the event of a major liability complaint, the responsible department must report to the Group Administration Centre, the Customer Service Experience Centre and the person in charge of the regional/city company at the first opportunity, and the person in charge of the regional/city company must arrive at the scene on the same day to deal with the complaint and communicate with the customer in person. The person in charge of the regional/city company must handle the major liability complaint within 24 hours and submit the handling report to the Customer Service Experience Centre.



- For complaints to the Chairman of the Board, the Secretary to the Chairman, the Head of the Customer Service Experience Centre and the Head of the Regional/City Company under complaint are the persons responsible for handling the complaint. Such complaints take priority over other tasks and must be dealt with as soon as they occur.

In addition to daily visits to understand owners' demands, the Group also launched various annual initiatives to enhance communication with owners, such as the Sunward Plan (向陽計劃) in the second half of 2022, which targeted two groups of owners – the elderly and the young, with visits to promote daily safety management and mental health consultation and guidance while caring for their lives. We focus on collecting opinions from people who are willing to voice and give suggestions and feedback on service shortcomings through the customer's perspective. In 2022, we started the quality supervision work, and opened two levels of customer service lines at the Group and regional level, offered feedback channel on APP, and the Happy Land platform. In addition to good active communication, the Group also gives passive feedback communication channels to listen to customers' voices comprehensively, evaluate service levels and improve service standards. In 2022, a total of 6 projects of the Group were awarded the title of provincial excellence and 30 projects were awarded the title of municipal excellence.



**6** projects of the Group were awarded the title of provincial excellence

## — A project in Hangzhou has improved both environment and satisfaction. —

Case 7

After the Group's supervisory action and special work on greening in 2022, the Group and owners agreed to enable the new parking management method to solve the problem of difficult parking after repeated consultations with the Committee of the Property Owners. The Group provided professional training on greening, allocated professional environmental managers to station to help rectify the problem, replaced greening maintenance provider, strictly controlled outsourcing management, and also invited owners to actively supervise greening maintenance, and owners also invested an extra RMB10,000 to create a small landscape for homecoming move line, which had a good effect and improved the comprehensive satisfaction score by 2.2 points in the satisfaction survey in 2022.

## 3.2. Multi-dimensional Assessment and Green Supply

### 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. For certain categories of suppliers, system certifications such as ISO14001 environmental management system, ISO45001 occupational safety management system and ISO9001 quality management system are included as considering factors during the admission of suppliers. As at the end of the Reporting Period, all of the Group's 4,936 suppliers had gone through the above-mentioned process before being engaged. Through sound and effective supply chain management, we work together with suppliers to create safe working conditions, promote respect for the dignity of workers, and promote responsible environmental protection measures.

We have 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 created the Greentown Buy (綠城購) procurement platform in 2015, which is a procurement platform for Greentown Service. It is committed to providing Internet procurement solutions for the first line staff, which provides 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. In 2022, the Group and its subsidiaries carried out national centralised procurement, in which the Group completed negotiations for 10 material categories. The departments can place their orders on Lcgouw.com to purchase goods, and complete warehousing, settlement on their own, which satisfies the daily material operation needs for Greentown's real estate projects, greatly improves the efficiency of procurement.

### Green Supply Chain

The Group has a clear 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.

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 Services: "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.

## Strong Accountability and Customer First

The Group also considers the environmental performance of suppliers in the processes of purchasing materials and appliances. For example, in the purchase of machinery and lighting systems, priority is given to more energy-efficient equipment where technical specifications are met, with a view to extending the Group's environmental vision to all levels of the supply chain.

During the Reporting Period, the Group's suppliers totalled 4,936, with a breakdown by region as follows:

Region	Number of suppliers
Yangtze River Delta Region	2,219
Bohai Economic Rim Region	942
Pearl River Delta Region	572
Other regions	1,203

### 3.3. Education Blueprint and Happy Growth

#### Education

Greentown Lezhen Education, which belongs to the education service segment of Greentown Ideal Life Technology Group under Greentown Services, is also 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 life services in 2022. The range of services is shown below:

#### Three service systems



Daycare



Kindergarten



Community  
Education Services

In March 2017, Greentown Child Development Research Institute ("the Institute") was established, responsible for early childhood education policy research, theoretical and practical research on early childhood education at home and abroad, as well as curriculum development and teacher training. The Institute has invited a core group of experts and scholars from Zhejiang University, Hangzhou Normal University, Zhejiang Research Institute of Education Science, Zhejiang Children's Health Hospital, Zhejiang International Studies University and other domestic front-line experts and scholars and has built a high-level research and development team led by an expert in early childhood development and a professor from the Preschool Education Department of East China Normal University.

After years of research and development, the Institute has now developed a series of curriculum for ages 1 to 3, including maternity, childcare, and parent-child programs.

## Course Development



### Construction and Implementation of Childcare Curriculum in "Living Education"

This book is a more suitable childcare programme for Chinese babies, developed by Professor Zhou Nianli, Deputy Director of the Institute, focusing on developing "kindness", "confidence" and "curiosity" in children aged 13-36 months, so that they can become happy children with positive emotional experiences, positive personality traits and positive relationships with others.

## Family Education Guidance



### Parenting guidebook: 100 examples of parent-child games for families aged 0-3 years

This is a collection of parent-child play activities for families with babies aged 0-3 years.

## Industry Boosters



### Group Standard on Management Standards for Infant and Toddler Growth Stations

The standard is the first of its kind in China, jointly drafted by Hangzhou Women's and Children's Health Service Centre and Hangzhou Gongshu Maternal and Child Health and Family Planning Service Centre, which is conducive to improving the quality and level of infant and child care guidance services.

## Create a Happy Vision



The "Wonderful Metamorphosis" activity was launched in March 2022, and I had the honour to be a participant of this project. From preparing the plan, contacting suppliers, and then to maintaining the sericulture community, I witnessed the development of a sericulture community among owners. A month later, sericulture provided an effective solution to anxious parents and their children, children took care of their silkworms like babies and gave each silkworm a funny name. Mulberry leaves were scarce in April 2022, owners formed a close bond by sharing their mulberry leaves.

— employee of Wonderful Garden Daycare Centre (奇妙園)



Wonderful Garden Daycare Centre (奇妙園) is a bilingual childcare brand of Greentown Lezhen Education Technology Group Company Limited (綠城樂真教育科技有限公司) ("Greentown Education", a subsidiary of Greentown Services), focusing on providing bilingual day care and parent-child interactive classes for infants and toddlers aged 0 to 3 years old, 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 the 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".

Recognition from Parents



## St

## Case 8

The mom wrote a special post with delicate strokes, recording the 3 months her child spent in the Wonderful Garden Daycare Centre and her growth as a mother. In just three months, the child has changed from refusing to go to the child-care centre in tears to smiling as soon as arrives and has learnt how to make friends, take care of herself, and to be a "little teacher".

## 夏天的奇妙能力

陸小曼 2020-09-04



幾乎已進入尾声。早上，把孩子送进幼儿园后，按照惯例，到商场。

对比上届, 圈填井的家数人口明显减少。

比摩說，跟孩子共創，是種成長的讀，我屬於非常愛變的類型。

我要让他哭哭不闹，要让他服服帖帖乖乖听话，要让他跟同学打打闹闹，但也不要我。

直到老师带队，让孩子们将小车开进教室的时候，在快要将车搬不动的地方，孩子们就懂得手、

 $\equiv$ 

迄今輯成，共計尋常書冊廿餘種。

*When I contacted Shanshan, the director of Wonderful Garden Daycare Centre this weekend, she said she was busy setting up a booth for offline promotion because three classes of children had graduated and now a new round of enrollment had begun.*

*In fact, as women, they have to be mothers of one or two children and teachers of dozens of kids at the same time. Whether you are a mom or a teacher, you have to give yourself more time to progress and grow.*

*So all we can do is say thank you more than often to them and give them a little more understanding and support so that women teachers can work at ease, and our children can grow at ease.*

*So, I'll put a Wonderful Garden Daycare Centre activity poster at the end of this article, maybe your child needs it, please feel free to use it, because my child tried it.*

All teachers in Wonderful Garden Daycare Centre are selected and recruited by the headquarters and are required to pass relevant psychological tests, and all of teachers have relevant qualifications. 95% of the teachers have tertiary education or above, and 65% are for preschool education or education-related majors; 11 preschool education masters and more than 20 with overseas studying or working experiences have been introduced, and a comprehensive teacher training system and career development channel have been built.



11 preschool education masters have been introduced

## Case 9

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's Environment

## Cooperation with Universities to Build a Talent Pool

The Greentown Education adheres to the concept of win-win cooperation and continues to work together with universities to promote talent incubation and provide stable and continuous talent supply for the rapid development of the Group.

### 与高校牵手合作，打造人才储备基地



We signed a strategic cooperation agreement with Changchun Early Education Vocational Institute



Cooperating with Ningbo College of Health Sciences, Greentown Lechen Education has become the vice president unit of Zhejiang Province "one elderly and one young" health care service industry alliance of enterprises and education

## Developing Inclusive Education

Because of the standardisation, quality, professionalism and responsibility, 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, Greentown Education has 14 inclusive childcare gardens as of the end of the Reporting Period. We have an original "Three Characters" 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 later officially published as a book, which is very pioneering in the industry. As of the end of the Reporting Period, three inclusive gardens were rated as Hangzhou model institutions.

**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.



• Photos of daily activities in the nursery



## Strong Accountability and Customer First

### 3.4. Care the Elderly, Empowering a Healthy Life

Greentown Chunling (樁齡康養集團) focuses on the whole process of companionship service for institutional and home care and is committed to creating a new integrated service model of “consulting + design + marketing + operation”.

#### Develop a New Model for Elderly Care

In 2022, based on the development of the “property+elderly care” model, Zhejiang Chunling launched a new series of health care service products (convenient medical treatment, agent medication dispensing, family care, accompanying medical services, elderly meal assistance, Chun Tour (樁遊), Chunle intergenerational activities(樁樂代際), health management services, Chun goods, etc.) to customise and meet the health care needs of the owners and families of the Greentown Service.

We use government community service housing to organically combine “Sunshine Elderly Home” and “Children Growth Station” to form a Home Service Centre and create a new model for the young and the elderly to play.



Fitness Exercise



Parent-child Chat



Parent-child Games

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

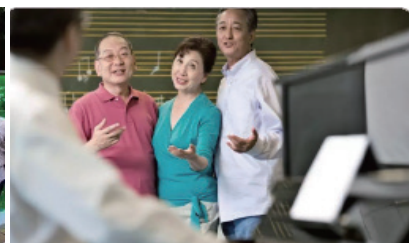
In addition, it uses the elderly care service housing in the community, through ingenious design of the shared atrium, it creates a human interaction space for the elderly, connects internal and external resources of the Group, and creates an elderly care service ecosystem.



Happy Grandma



Happy Goods  
Selection Officer



Star Students

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



## Chun Tour – providing customised tourism services for the elderly

Case 11

We broaden the classroom scenario of Yi Le College and provide customised travel services for elderly, develop four series of half-day community activities, such as study for the elderly, walking with a cane, tour for the big shots, and museum of knowledge and learning, and carry out offline community activities with the themes of humanities, scenery appreciation, health and knowledge.



• Chun Tour and Immersion Learning Experience

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

Case 12



• Cuiyuan Elderly Canteen

The Cuiyuan Elderly Canteen (翠苑长者食堂) in Hangzhou's West Lake 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.



## Strong Accountability and Customer First

### Chunling Hui (椿齡薈) - a small-scale multifunctional community embedded service institution integrating elderly care, nursing, and learning

Case 13

The project is located in West Lake District, Hangzhou. It was officially operated in April 2018. The 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, care and learning.



• Chunling Hui

### Chuntianli (椿天里)

Case 14



Chinese Medicine Physiotherapy Lecture



Daily Health Exercise



Health Management Service



Chinese Medicine Health Lecture



Intergenerational Fun Experiments



White Tea Tasting Salon



Home Service

• Activities of Chuntianli

## 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.

## 3.5. Public Welfare and Charity



I arrived on the 16th floor, and saw one of our owners, Auntie Chen, she and her husband planned to go downstairs, but her husband had left something behind and returned home to pick it up, unfortunately Auntie Chen sprained her ankle at that time, so I offered to carry Auntie Chen downstairs. I had no time to think twice, and directly carried her on my back and placed her at a safe place, safety is always my top 1 consideration. We give priority to owners, and our daily routine is to safeguard the community security and serve property owners as security guards. These are my responsibilities working here in Greentown Service’s residential community.

——Wang Qiang, security guard of Hangzhou Linping Wutong Lanshan Community (杭州臨平梧桐藍山社區) and employee who acts bravely for a just cause.

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.

In December 2022, a volunteer medical team was established by a community in Hangzhou under the planning of the property service staff. The team, mainly consisted of doctors, nurses, and pharmacists selected from the property owners, was aimed to popularise basic medication knowledge for other property owners and our employees. Such a touching voluntary story was ed by Hangzhou Daily, Daily Business and Hangzhou CST Media, attracting more than 200,000 clicks in total.

### Public welfare activity in spring

Case 15

On 12 March 2022, the “Planting Spring Breeze” public welfare action of Greentown was officially launched on Tree Planting Day. In order to guard Minqin in Gansu, which was known as the “Emerald” of the ancient Silk Road, Greentown has joined the queue of “donating haloxylon ammodendron” in 2015 and planted the first piece of “Greentown Forest” in the yellow sand 2,600 kilometres away from Hangzhou with the spring breeze across mountains and rivers. Under the charity donation of “Spring Breeze Messenger” such as the owners and employees of the Greentown, “Greentown Forest” currently has nearly 100,000 haloxylon ammodendron trees, with an area of over 1,400 mu, making it the largest enterprise public welfare forest in Minqin, Gansu.

### Neighbourhood help

Case 16

In December 2022, in Hangzhou Huiyuan (杭州慧園), property staff called for the sharing of medicines in the owners’ group, and they offered to help purchasing medicine on behalf of the owners; in Hangzhou Jin Lin Fu (杭州金麟府), a volunteer medical team of doctors, nurses and pharmacists was set up to popularise the knowledge of medication for a number of neighbours; in Ningbo Feng Hui Hua Di (寧波豐匯華邸), the property service centre built an independent ‘positive owners’ group, collected the garbage of their families and dispose of it individually after disinfection and provided logistical support; in Hainan Phoenix Waterside City (海南鳳凰水城), some owners shared their personally tested and useful Chinese medicine prescriptions. Warmth is good medicine; mutual help is priceless. The situation of working together to overcome the difficulties, and the community, owners and property management staff worked together to win the battle.







# 04



## People-Centric with Collaborative Efforts

This section responds to UN Sustainable Development Goal 5, 8, 10







# People-Centric with Collaborative Efforts

## 4.1. Talent Recruitment and Rights Protection

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 2022, 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 also attract smart brains from various recruitment channels, such as on-the-spot recruitment organised by the local labour market, on-line recruitment activities, and campus recruitment. In addition, the Group actively promotes school-enterprise cooperation by launching out a management trainee initiative, which offers intern opportunities for outstanding would-be graduates and retains those top performers after their internship.





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

**Recruitment process**: mainly consists of on-line resume screening, tests and examinations, interview and assessment, each part being impartial toward age, ethnic group, etc.

### 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. For the Group, over 5,500 employees are minorities, accounting for 5% of its headcount. The Group also focuses on promoting employment diversity in terms of gender, age and race, so as to lay a solid foundation for the achievement of its long-term ambitions.

	Number of female employees (Unit: headcount)	Proportion of female employees
	Grassroots	51%
	Middle management	51%
	Senior management	37%

Category		2022 (Unit: headcount)	2021 (Unit: headcount)
 <b>Age</b>	18-30	17,252	16,087
	31-45	20,356	16,055
	46-60	6,799	4,861
	61 or above	88	54
 <b>Grade</b>	General staff	39,933	/
	Junior management	3,893	/
	Middle management	545	/
	Senior management	124	/
 <b>Gender</b>	Male	21,854	18,012
	Female	22,641	19,627
 <b>Geographic location</b>	Mainland China	43,851	37,084
	Overseas	644	555

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.

### 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.

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	Chinese Mainland	Overseas
<b>2022</b>	31.97	35.54	44.15	25.56	19.61	33.43	0.03

Since the Group is a player in the property service sector, the main employees lost are frontline staff. To reduce the turnover rate of frontline staff, the Group has made corresponding improvements, such as a mechanism to protect the food and accommodation of frontline staff, promote the implementation of dormitory upgrading for more than 600 projects. The Group also takes other employee care measures, such as high temperature allowance in summer, all-staff health check-up and Spring Festival benefits.

# People-Centric with Collaborative Efforts

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

### 1 Recruitment

Verify personal identity information (age, origin, education background and work experience) against recruitment criteria and require a submission of personal information to avoid misuse of child labour; inform candidates of labour hours and indicate the labour period in the labour contract to avoid forced labour.

### 2 Hiring process

Set up ID card information verification for the on-line hiring process to fend off candidates under the age of 18, and indicate contractual labour period and probation period to avoid forced labour.

The Group's Human Resources Department conducts random checks on the employment situation from time to time. If child labour is found to be used, the relevant internal personnel will be held responsible and reported to the regulatory authorities. As at the end of the Reporting Period, there were no incidents of child labour and forced labour.

To standardise the timely and effectively handling and resolving of employee complaints and protect employees' rights and interests, the Group has established normalised channels open for employees to express concerns and file complaints, such as "Greentown Service Employee Hotline 95059580", "Greentown Service National Customer Service Hotline 95059", "Chairman Mailbox" and the annual May 1st staff seminar.

In 2022, the Group made a progress from 2021 and received a relatively high employee satisfaction rate for its overall performance. 99.05% of its employees agreed that Greentown Service is a company upholding "Sincerity, Goodwill, Delicacy and Perfection". In the road ahead, the Group will take further measures to improve energy efficiency and restructure core business process based on project empowerment and digitalisation, as so to simplify front-line duties with higher function and business system efficiency in each region.



## 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 normally organised during May to July each year.
- Quarterly team-building, organised team-building activities every quarter.
- 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.



• Women's Day Celebration Activity

- Family leave such as personal birthday, wedding anniversary and Children's Day.
- 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

- Position and skill subsidies, which are released to employees in a lump sum as incentives for their receipt of position titles, professional qualifications or occupational skill certificates during their service periods.



# People-Centric with Collaborative Efforts

- 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.

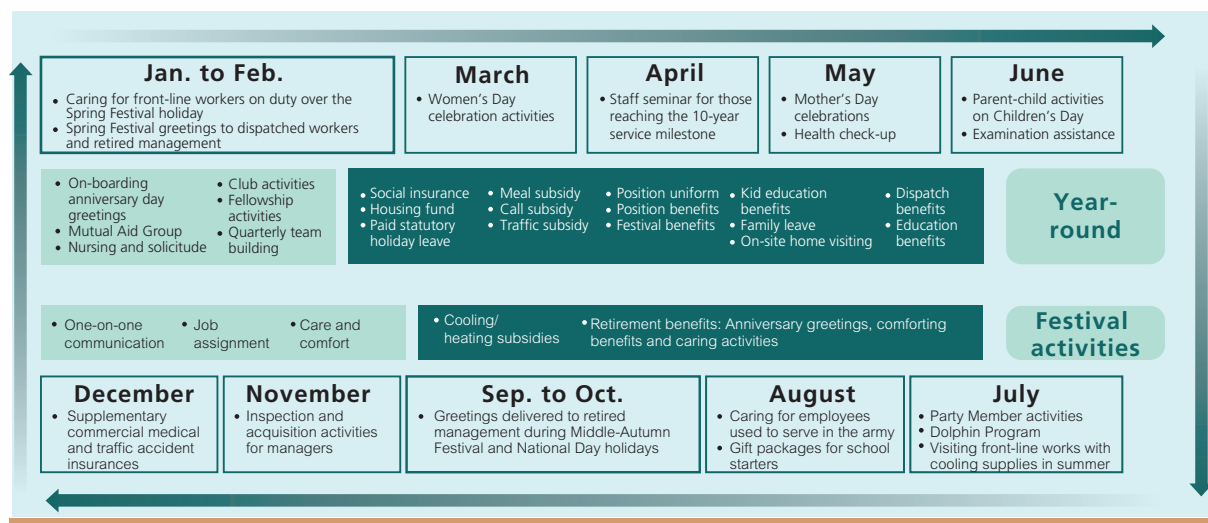


• Summer-Time Allowance for Front-Line Workers

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**, 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**, 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** their resident places for over 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).

Meanwhile, group members located in various regions beat to take down-to-earth measures to ensure employees' health and safety, such as ensuring an egg for each serving of breakfast as quality protein source, extra supply of milk and tea made by boiling sterculia scaphigera, honeysuckle and ginger, provision of medical kits, medicines and reagents, and arrangement for stagger shifts. We also paid special attention to the mental health of employees living alone and maintained close contact with them by delivering constant greetings to relieve psychological stress.



• Employee Care Calendar

## 4.2. Putting Occupational Safety and Employee Health First

### 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*, *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 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.

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, 2022, the Group had no work-related fatalities. During the Reporting Period, 514 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 West Lake District” and “Master Technician Workshop of Hangzhou” in succession. In October 2022, 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 at 3 majors including maintenance electrician, intelligent building management, and refrigeration. So far, the Workshop has completed certification for over 150 people in 9 batches.

Workers of the Group include employees hired by signing labour contracts, and those paid by hours, by projects, or workers acquired via out-sourcing services. The Group has formulated the relevant management system for outsourced workers, such as their signing of “Safety Commitment Letter” before their presence at working places, and their attendance to the relevant safety training courses.

The Group also conducted the following safety-focused training activities:

- 75 training sessions for backbone security staff to improve their theoretical knowledge and professional capabilities, attracting 2,845 attendees in total;
- A 2-month spring-time training starting from March 2022, which contained 41,364 sessions on gate post management and vehicle navigating with unified training duration, subject and criteria, to enhance the overall competence and performance of security personnel on duty;
- 9,429 emergency drills of all types, including 5,277 fire drills, 2,370 security drills, and 1,782 public hygiene drills, to help improve our emergency response capabilities.

During the Reporting Period, the Group witnessed 140 cases of brave deeds performed by its employees, including saving 13 people attempting suicide, putting out fires with an initial intervention rate of 95% plus. These heroic deeds were well recognised by the society and the Group received 295 honorary awards from provincial and municipal government departments at all levels, 694 thank you banners and 316 letters of praise. We also link the remuneration of senior management and the project team with employee health and safety factors. For example, the Article 1 of our “Prohibitions Released by Chairman” stipulates that no employee shall delay or refrain from the reporting of major safety information, and violators will be held accountable for the adverse impact of resulted safety incidents in accordance with the “Accountability System for Major Safety Emergencies”, and shall be subject to a demotion or removal based on their grade.



# People-Centric with Collaborative Efforts

## 4.3. Dedicated Efforts for Staff's Targeted Development



I'm impressed by the learning atmosphere in the engineering division after I joined Greentown Service. To improve my professional skills and management level and adapt to the changing and iterative engineering technology and management methodology, I participated in various empowerment trainings provided by regional companies and the Group's engineering division. I continue to develop and am able to put what I've learnt into practice under the guidance of the Group's Chief Engineer's Office and the Engineering Department.

—engineering employee

2022 is a crucial year for our organisation reform as it witnessed the tremendous efforts made by us in promoting regional reform, forging the principle of treating functions as independent operating units, and taking measures for quality improvement and efficiency enhancement. 2022 also saw our efforts to get rid of redundancy by discarding incompetent staff from inefficient functions, regional structure and business units. 2022 marked our moves to care for employees, with overall pay rise, upgraded training system and enriched employee benefits. In 2022, we also focused on cultural publicity by launching cultural blockbusters and catchy learning sessions to help deliver our management philosophy and praise deeds valuing truth, goodness and beauty.

### 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 Onboarding Program designed for the further advancement of executives and the General Manager, capacity building up of back-up officers, further advancement of elite professionals and two 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 which 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 with various training sessions to meet their phased requirements, including new recruiter induction, on-duty skill improvement, and appraisal before promotion.



Tailored training plans based on group traits and talent grades. The training of participants is tiered according to their rank, which support the uplift of leadership of middle and senior management, while enhancing the capabilities of grassroots workers. Meanwhile, special training sessions are also provided to project managers, and personnel under the engineering, safety, function and other business lines to meet their specific requirements for skill improvement and career advancement.



Integration of on-site training and e-learning. The platform of Cloud Class for Growth is the core for on-line training courses. So far, our on-line and off-line training courses are generally provided on a shoulder-by-shoulder basis. Based on the e-learning courses and inverted on-site training sessions, we can deliver the best training outcome by cultivating trainees with multiple training methods such as on-line learning, theoretical instruction, cooperation and discussion.



Standardised operations. We have created a leading and tutoring system that is based on our project practices and featured with a working model consisting of a housekeeper leading 4 security, cleaning, landscaping and maintenance staff. The system is aimed to forge a brand new and standardised tutoring skill kit that is ready to be applied at the grassroots level. We refer to the "Operation Standards Manual". During our operation of the Cohesion Program, and assigned certified project operation offices to empower each training sub-branches so as to ensure the smooth progress of our standardised training for new recruiters.



• Sailing Program



• Voyage Program


- On-line 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.



# People-Centric with Collaborative Efforts

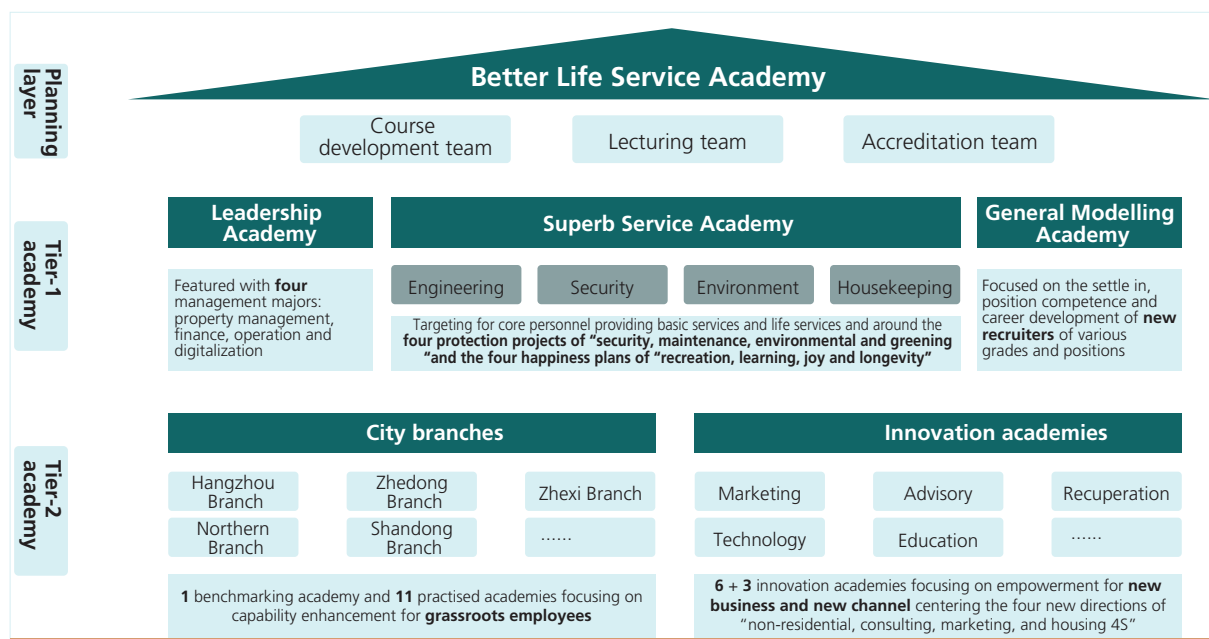
We also provided opportunities for employees to be certified as internal trainers for various internal training courses. Our internal trainers are divided into five ranks, each subject to various engagement requirements, i.e., chief lecturer, senior lecturer, veteran lecturer, lecturer and branch lecturer, 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.

Proportion of trained employees and the average training hours by category of the Group are as follows:

2022			
	Category	Proportion	Average training hours
	Male	100%	79.10 <sup>3</sup>
	Female	100%	45.13
	General staff	100%	77.00
	Middle management	100%	130.76
	Senior management	100%	51.94

## 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

<sup>3</sup> Training courses included engineering trainings, which were mainly attended by males. Therefore the average training hours of male employees was higher than that of female.

Huangpu Cutting-Edge Program, which was initiated on 9 September 2022 and 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 December 2022, 15 regions/cities companies had conducted training activities under the Huangpu Cutting-Edge Program, attended by 189 trainees in total.

Voyage Program and Pilot Program, which are designed to provide special training courses for 593 personnel. So far, trainees have finished their courses regarding 6 books, with 8,000+ employee communications and on-site project visits. In addition, trainees under these two schemes had received 2 livestream courses, respectively, including takeaways from the books of *Frontier of Strategic Management* and *Group Strategy Interpretation*.

In 2022, the Superb Service Academy held a total of 35 sessions of Sailing Program for project managers, 1,125 of whom received the relevant certifications, with an increase by 14.2% from the year before. The Academy also conducted a training session 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. It also teamed up with the Engineering Technology Centre and hosted an engineering technician competition, which attracted 36 technicians from 12 region/city companies to showcase their superb engineering strength.



held a total of 35 sessions of Sailing Program for project managers

**1,125** of whom received the relevant certifications

with an increase by

**14.2%** from the year before









# 05



## Earth Care and Environmental Protection

This section responds to UN Sustainable Development Goal 7, 13







# Earth Care and Environmental Protection

## 5.1. 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 Services 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 public 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.

### 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, 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.

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

2022		
	Total water consumption (m <sup>3</sup> )	45,990.00
	Water consumption intensity (m <sup>3</sup> /operating income of CNY000'000)	3.10

The Group mainly uses municipal water supply and, in some projects where it is available, river water and medium water, and has no problem in seeking water sources.

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

Emission sources		2022
	Scope 1: Direct emissions <sup>4</sup> (tons of carbon dioxide equivalent)	42.36
	Scope 2: Indirect emissions <sup>5</sup> (tons of carbon dioxide equivalent)	546.57
	greenhouse gas emissions (tons of carbon dioxide equivalent)	588.93
	Intensity (tons of carbon dioxide equivalent/operating income of CNY000'000)	0.04

Greentown Services 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.

## 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 greenhouse gas 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 greenhouse gas emissions from business travel and related transportation.

We are taking various green office initiatives to achieve our goals of reducing water consumption, energy consumption (and hence exhaust emissions and greenhouse gas emissions) in the workplace, while contributing to the Group's operational cost control. Though it is difficult to set targets for water efficiency and total energy use at this stage given the limited scope for setting quantitative targets for fixed source energy consumption and relevant emissions, we are considering setting energy consumption intensity targets.

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

		2022
	Gasoline (liters)	19,319.40
	Electricity (MWh)	940.74
	Comprehensive energy consumption <sup>6</sup> (MWh)	1,172.04
	Energy consumption intensity (MWh/revenue of RMB million)	0.079

<sup>4</sup> Direct GHG emissions: Group gasoline consumption multiplied by the corresponding emission factor, with emission factors referenced to ① China Energy Statistics Yearbook ② IPCC 2006

<sup>5</sup> 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.

<sup>6</sup> 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.



# Earth Care and Environmental Protection

## 5.2. Green Guardianship and Energy Conservation

### Development of the Energy Management Platform

For multi-tenant office buildings and public energy consumption of projects in property management, the Green City 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.

### Addressing Climate Change

We are now facing a bitter reality that the global warming is escalating. With reference to the framework set out in the TCFD (Task Force on Climate-related Financial Disclosures), the Group always been concerned about climate change issues and has assessed risks and opportunities arising from climate changes and formulated strategies for managing risks and identifying and managing indicators and objectives.

Climate-related risks include risks in relation to the transition to a low-carbon economy (the “transition risks”) and risks in relation to the physical impact of climate changes (the “physical risks”). Transition risks include policy and legal risks, technical risks, market risks, reputational risks while physical risks include acute risks (such as typhoons, floods and other extreme weather conditions) and chronic risks (persistent high temperatures and other changes in climate pattern). In order to address climate changes, in addition to preventing risks, the Group will also put great efforts in identifying opportunities, including resource efficiency, energy sources, products and services, markets and resilience.

The Board is responsible for supervising environmental and social issues of the Group, including risk assessment, task prioritisation and risk management. The Board is also responsible for identifying and analysing the impact of climate changes on our Group’s business activities with relevant departments, so as to fully manage climate-related risks and grasp 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 park’s owners and staff. In the wake of disasters, the Group arrange and deploy rescue work to relieve property owners suffering psychological and financial conditions and keep them and their properties from further harm.

For our future services, the Group focus on reducing and addressing the impact of global warming 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.





# Environmental, Social and Governance Reporting Guidelines Content Index

Environmental, Social and Governance Reporting Guide		Report Content
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
A1	General Disclosure	Earth Care and Environmental Protection
	Information on:	
	(a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
A1.1	The types of emissions and respective emissions data.	Earth Care and Environmental Protection
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Earth Care and Environmental Protection
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Note 1
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Note 1
A1.5	Description of emission target(s) set and steps taken to achieve them.	Earth Care and Environmental Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Note 1
<b>Aspect A2: Use of Resources</b>		
A2	General Disclosure	Earth Care and Environmental Protection
	Policies on the efficient use of resources, including energy, water and other raw materials.	
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).	Earth Care and Environmental Protection
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Earth Care and Environmental Protection
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Earth Care and Environmental Protection
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Earth Care and Environmental Protection
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Note 1





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Environmental, Social and Governance Reporting Guide		Report Content
<b>Aspect A3: The Environment and Natural Resources</b>		
A3	General Disclosure	Earth Care and Environmental Protection
	Policies on minimising the issuer's significant impacts on the environment and natural resources.	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Earth Care and Environmental Protection
A4	General Disclosure	Earth Care and Environmental Protection
	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Earth Care and Environmental Protection
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
B1	General Disclosure Information on:	People-Centric with Collaborative Efforts
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-Centric with Collaborative Efforts
B1.2	Employee turnover rate by gender, age group and geographical region.	People-Centric with Collaborative Efforts
<b>Aspect B2: Health and Safety</b>		
B2	General Disclosure	People-Centric with Collaborative Efforts
	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.	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People-Centric with Collaborative Efforts
B2.2	Lost days due to work injury.	People-Centric with Collaborative Efforts
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People-Centric with Collaborative Efforts

Environmental, Social and Governance Reporting Guide		Report Content
<b>Aspect B3: Development and Training</b>		
B3	General Disclosure	People-Centric with Collaborative Efforts
	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-Centric with Collaborative Efforts
B3.2	The average training hours completed per employee by gender and employee category.	People-Centric with Collaborative Efforts
<b>Aspect B4: Labour Standards</b>		
B4	General Disclosure	People-Centric with Collaborative Efforts
	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.	
B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-Centric with Collaborative Efforts
B4.2	Description of steps taken to eliminate such practices when discovered.	People-Centric with Collaborative Efforts
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
B5	General Disclosure	Strong Accountability and Customer First
	Policies on managing environmental and social risks of the supply chain.	
B5.1	Number of suppliers by geographical region.	Strong Accountability and Customer First
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Strong Accountability and Customer First
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Strong Accountability and Customer First
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strong Accountability and Customer First



# Environmental, Social and Governance Reporting Guidelines Content Index

Environmental, Social and Governance Reporting Guide		Report Content
<b>Aspect B6: Product Responsibility</b>		
B6	General Disclosure	Strong Accountability and Customer First
	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.	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Note 2
B6.2	Number of products and service related complaints received and how they are dealt with.	Strong Accountability and Customer First
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Compliance, Governance and Integrity
B6.4	Description of quality assurance process and recall procedures.	Note2
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Compliance, Governance and Integrity
<b>Aspect B7: Anti-corruption</b>		
B7	General Disclosure	Compliance, Governance and Integrity
	Information on:	
	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Compliance, Governance and Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance, Governance and Integrity
B7.3	Description of anti-corruption training provided to directors and staff.	Compliance, Governance and Integrity
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
B8	General Disclosure	Strong Accountability and Customer First
	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.	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Strong Accountability and Customer First
B8.2	Resources contributed (e.g. money or time) to the focus area.	Strong Accountability and Customer First

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.

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Sincerity ▪ Goodwill ▪ Delicacy ▪ Perfection

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