

鑫苑物業服務集團有限公司

Xinyuan Property Management Service (Cayman) Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1895)

2019 Environmental, Social and Governance Report



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

1. About this Report	03
1.1 Reporting Scope and Period	03
1.2 Reporting Guidelines	03
1.3 Contact Information	03
2. Sustainability Governance	04
2.1 Promoting Corporate Sustainability Governance	04
2.2 Materiality Assessment of Environmental, Social and Governance Topics	05
2.3 Stakeholder Communication Mechanism	06
3. "XIN" Service	07
3.1 "XIN" Service	07
3.1.1 Service Philosophy	07
3.1.2 Continued Service System Upgrading	08
3.1.3 Standardized Operation and Management System	09
3.1.4 Quality Management and Control Procedure	10
3.2 Sincere Service and Customer First	11
3.2.1 Multichannel Communication Platform	11
3.2.2 Streamlined Procedure for Processing Customer Complaints	11
3.2.3 Maintaining Customer Relationship	13
3.2.4 Enhancing Customer Experience with Information and Smart Product	15
4. "XIN" Operation	18
4.1 Information Security and Risk Prevention	18
4.2 Supply Chain Management	19
4.3 Integrity Management	21
5. "XIN" Talent	22
5.1 Talent Recruitment and Retention	22
5.1.1 Recruitment Management	22
5.1.2 Employee Composition	23
5.1.3 Employee Benefit	24
5.2 Employee Solidarity and Well-Being	25
5.3 Treating Employees with Sincerity and Support	27



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6.	"XIN" Environment	29
6.1	Green Management	29
6.2	Green Operation	31
6.2.1	Resource Management	31
6.2.2	Waste Management	33
6.3	Green Community	34
6.3.1	Waste Categorization	34
6.3.2	Energy and Resource Conservation	35
6.4	Environmental Performance Data	37
7.	"XIN" Community	38
7.1	Colorful Activities and Joyful Communities	39
7.2	Devoted to Public Welfare and Giving Back to Society	40
8.	"XIN" Defense: Combating the Novel Coronavirus Disease (COVID-19)	41
8.1	Building "XIN" Defense Line through Joint Prevention and Control	42
8.1.1	Swift Activation of Emergency Response Mechanism	42
8.1.2	"XIN" Community Environment Management	42
8.1.3	Working with the Community for Joint Prevention and Control	43
8.1.4	Engaging All Staff in Prevention and Control to Guarantee Safety	45
8.2	Providing Convenience Service to Combat Disease Together	45
	Appendix I List of Applicable Laws and Regulations	47
	Appendix II Hong Kong Stock Exchange ESG Reporting Guide Content Index	49



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THIS REPORT

Xinyuan Property Management Service (Cayman) Ltd. (the “Company”, together with its subsidiaries, collectively the “Group” or “Xinyuan” or “we”) is pleased to publish its first Environmental, Social and Governance Report (the “Report”). This Report intends to present the Group’s strategy, policy commitments and performance in the field of sustainability in an open and transparent manner, to address stakeholders’ expectations of the Group’s sustainability management and information disclosure and to enhance stakeholders’ understanding and confidence in the Group.

1.1 Reporting Scope and Period

This Report covers three main business lines of the Group, including property management services, value-added services and pre-delivery and consulting services. This Report covers the period from 1 January 2019 to 31 December 2019 (the “Reporting Period”), with the exception of the information in Chapter 8 on combating the outbreak of coronavirus disease (COVID-19), which covers January and February of 2020.

1.2 Reporting Guidelines

The Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (“ESG Reporting Guide”) issued by The Stock Exchange of Hong Kong Limited (“Stock Exchange”). This Report follows the ESG Reporting Guide’s materiality, quantitative and balance reporting principles, and also takes the consistency principle into account to allow for meaningful comparisons of ESG data from the future reports. This Report complies with the “Comply or Explain” provisions in the ESG Reporting Guide.

1.3 Contact Information

We welcome comments and suggestions on the this Report and the Group’s performance in the field of sustainability.

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Province, China
Tel: 400-717-5588
Email: xywyir@xypm.hk



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. SUSTAINABILITY GOVERNANCE

2.1 Promoting Corporate Sustainability Governance

We have integrated environmental and social responsibilities into the core of our corporate culture, as reflected in our business philosophy “Based on Love, Serving the Society”.

A great corporation must possess a broad mind, and Xinyuan’s operation philosophy is the manifestation of corporate broad-mindedness. We adhere to the corporate philosophy of “Based on Love, Serving the Society”, meaning that we care for our employees and respect individuality in corporate management and let our employees work and live with joy and pass on this love and warmth to our customers and the society.

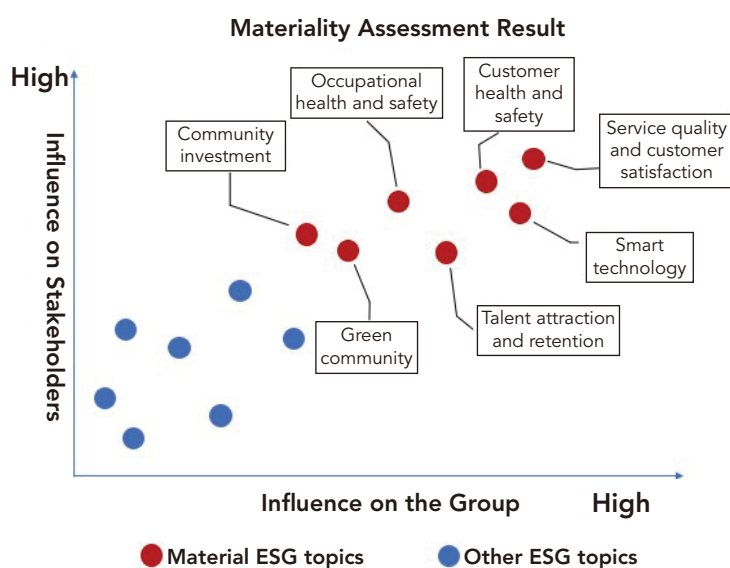
Based on Love: meaning that we take “love” as the starting point to serve and care for our customers, let them feel the personal touch and intimacy in our service, and let love fill the Xinyuan communities.

Serving the Society: We advocate that management serves the employees, functional units serve the business units, corporate serves the ecosystem platform, and the ecosystem platform serves the society. We give back to the society with love, actively engage in and support social welfare programs, abide by social morality, and stick with the principle of serving the society throughout our corporate growth, in order to appreciate the support from different sectors of the society and make the world a better place with our efforts. For each department of the Group, we have identified and evaluated environmental and social-related issues, and have incorporated environmental protection, employee health and safety, service quality, information safety and other topics into the management systems and work protocols specific to each department.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.2 Materiality Assessment of Environmental, Social and Governance Topics

Through engaging our employees, customers, suppliers, and other stakeholders, assessing the requirements of the ESG Reporting Guide as well as other sustainability reporting guide, and based on industrial standards, peers' experiences, and our own corporate features, we identified environmental, social, and governance-related topics that are important to our operations and services, as shown in the matrix below. Discussions and information disclosure in this Report will focus on these material topics.



For the next Reporting Period, we plan to further improve our stakeholder engagement in our materiality assessment by conducting an online questionnaire survey, face-to-face interviews and other activities.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.3 Stakeholder Communication Mechanism

We continue to improve our stakeholder communication mechanism. Through diverse channels of engagement, we strive to understand and respond to stakeholders' expectations and requests in a timely manner.

Stakeholder Group	Channels of Engagement	Concerns and Expectations
Property owner	Community cultural activities Property owners' forum Home visits 400 customer service hotline Online communications	Quality service Improve customer satisfaction Customer rights protection Customer information security and privacy
Media	Conferences and forums Interviews Press conferences	Corporate visibility Social benefits
Employee	Regular training Employee representative conference Corporate cultural events Remuneration incentives Internal forum	Remuneration and benefits Work environment Career development Fair treatment
Government	Site visits Government projects Government conferences Targeted surveys Engagement in policymaking process	Observe laws and regulations Pay taxes in accordance with law Qualification evaluation Honor establishment
Supplier/contractor/service provider	Supplier evaluation Project collaboration	Honest cooperation Knowledge sharing Win-win cooperation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Group	Channels of Engagement	Concerns and Expectations
Shareholder/investor	Corporate annual report Shareholder meeting Investor meet-and-greet Corporate website	Stable credit level Reasonable returns Corporate governance and risk control
General public	Media coverage Public welfare activities	Support social welfare Protect natural environment Facilitate community growth Share fruits of growth

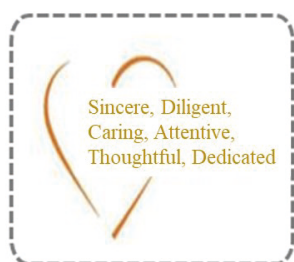
3. "XIN" SERVICE

3.1 "XIN" Service

3.1.1 Service Philosophy

Throughout more than twenty years of Xinyuan's growth, we stick with the principles of "centering around the customers" and "turning houses into homes, warming up the community". When the company was first founded, we established the personalized and friendly "6S Service Standard", namely Sincere, Diligent, Caring, Attentive, Thoughtful, and Dedicated. We continue to expand the meaning of the "6S Service Standard" and optimize our service system, and have formed the XIN 3.0 service model characterized into "high price to performance ratio, high customer satisfaction, excellent service enjoyment" that provides services beyond customer expectation, thereby effectively improving the core value of our property services and internalizing such core value as our "Corporate Core Competence".

"XIN" Service



6S Service Standard



Four "Full" Service Model



Four "Enjoy" Service Series



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.1.2 Continued Service System Upgrading

For more than twenty years of development, the Company has been continuously upgrading the service system considering the ever-increasing customer demand for services. Upon incorporation, the Company established the unique “6S Service Standard”, unlocking the era of the XIN 1.0 service model. We take property owner satisfaction as the sole standard for work performance measurement and require our employees to develop systematic service awareness. The “6S Service Standard” has also become Xinyuan-ers’ DNA.

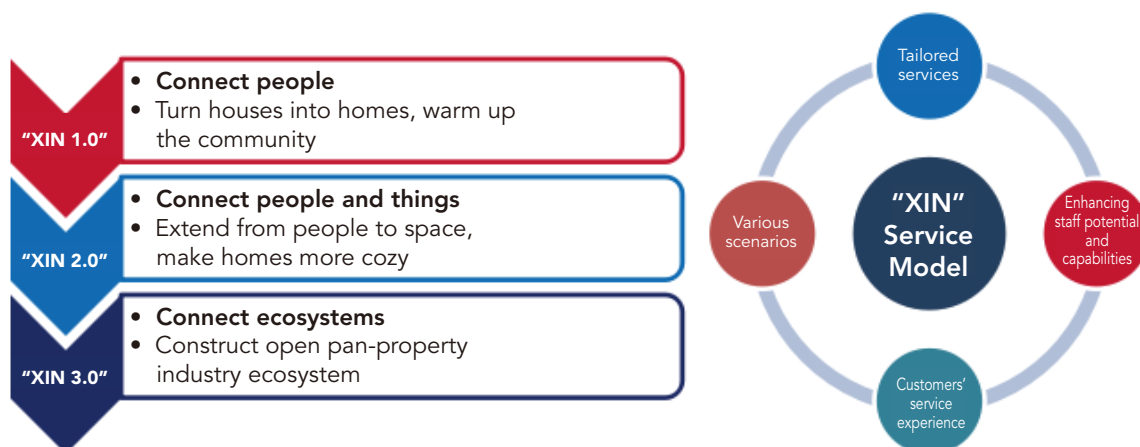
When implementing the “6S Service Standard”, we have been enriching the service system dimension according to property owners’ age group, interests and hobbies and other factors, and have formed the four “Full” service model, four “Enjoy” service series, and five community cultural activity categories. We have created Xinyuan’s unique service features through “turning houses into homes and warming up the community”.

The XIN 2.0 service model extends from people to space and makes homes more comfortable, further extending our services’ intension and extension and expanding the scope and content of our services. We form lifecycle management of the project from planning and design to normal operation, and from equipment selection to aging facility. The implementation of “smart property”, “smart community” and “smart home” makes property owners’ lives safer and more convenient.

Service system upgrades can provide joyful living experience. The XIN 3.0 service model is an upgrade from the “one-pronged” service centering around property owners to a “two-pronged” service centering around employees and property owners. We craft the service system from the four dimensions of focusing on customer experience, revealing employee potential, creating featured services and refining scenario design. We integrate the service philosophies of standardization, friendliness, differentiation, and personalization, and sort through 108 property owners’ contact points and 498 service items, dedicated to enabling property owners experience our ultimate and delightful service.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



3.1.3 Standardized Operation and Management System

The standardization of our operation and management system experienced "from simple to complex, then from complex to simple". We have completed the in-depth development from a single residential industry standard to country-wide differentiated standards, multi-industry standards and refined standards. We also progressed from being the standard-setter of corporate standards to that of local standards and then of national standards, and have demonstrated the Company's industry value and industry responsibilities.

Our management system has been certified by Intertek Certification Limited as conforming to the requirements of ISO 14001:2015 (environmental management), ISO 9001:2015 (quality management) and OHSAS 18001:2007 (occupational health and safety management).





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.1.4 Quality Management and Control Procedure

We have constructed a four-level quality management and control procedure from the headquarter, regional office, district center, and project levels, and have established a two-dimensional evaluation perspective from company management and customer experience.

The headquarter conducts all-around and all-angle supervision of each business unit's performance through management measures such as quarterly inspection, daily targeted inspection, remote monitoring, XIN Perspective, and backstage data analysis. At the same time, through the 400 customer service ("400 CS") hotline, the Xinyijia mobile application ("Xinyijia APP" or "Xinyijia"), the Company's official WeChat account, and the Conbow Cloud Housekeeper Platform, the headquarter has built a multi-dimensional property owner evaluation model and conducts comprehensive evaluation of the work performed at the project sites from the point of view of property owners' perception and experience.

The headquarter continues to improve the effectiveness of site management through planning and implementing quality activities such as the Spring Breeze Initiative, property owner satisfaction improvement measures, contact point services, the 100-Day Accident-free Program, spring and autumn landscaping and planting, spring and autumn site maintenance, and site quality improvement. The headquarter also organizes specialized guidance team to provide on-site counseling to the projects that have shown on-site deviations in order to help such projects quickly improve site quality.

Regional offices and district centers help each business unit continuously improve site management through daily inspection and evaluation, targeted capacity building activities and follow-ups of major issues in daily operations.

Each project ensures the stability of service quality at the site and continuously improves property owners' service experience through the implementation of daily management and service standards, design and implementation of personalized service programs, daily self-correction and management, staff training and implementation of the three-level assessment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

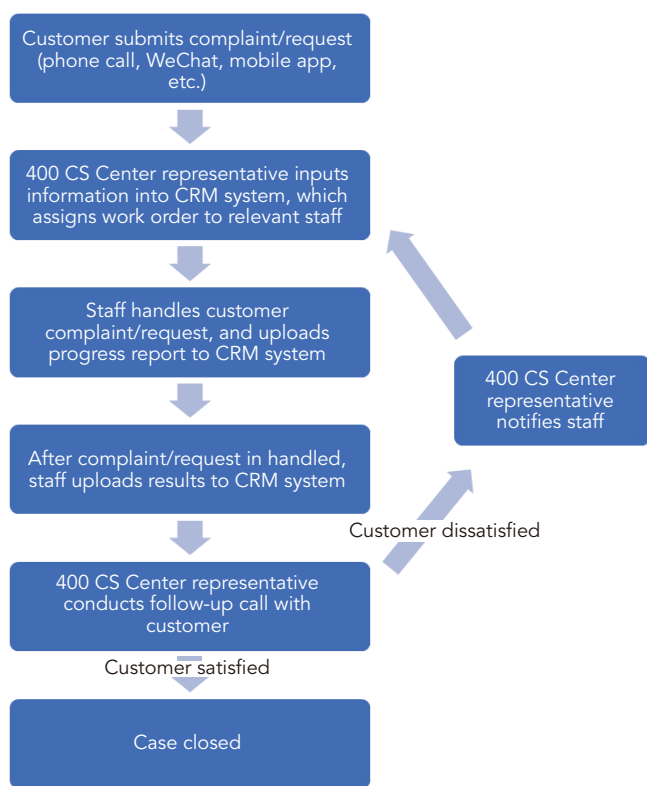
3.2 Sincere Service and Customer First

3.2.1 Multichannel Communication Platform

Our service centers around customer experience and we continuously enhance our service and operation capability through customer feedbacks. We provide a multichannel communication platform for property owners; the platform consists of channels such as the 400 CS hotline ("400 CS Center"), the Company's official WeChat account, Xinyijia APP, the Conbow Cloud Housekeeper Platform, and Conbow Robot. Details of these applications and tools are included in the following sections. The multichannel communication platform helps ensure the timely receipt of and response to our customers' requests.

3.2.2 Streamlined Procedure for Processing Customer Complaints

We established the country-wide 400 CS call center in 2014, and have formed the Customer Complaint Center Management System which outlines the duties of different departments and individuals in handling customer complaints, complaint categorization and handling procedures, complaint data analysis and reporting requirements and performance management measures. The following chart shows our procedure for processing customer complaints and maintenance requests.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Below is our Customer Relationship Management (CRM) system record of a customer complaint case handled in February 2019. The record covered details on the current case status, complaint description, handling process including result, the customer's contact information, name of the 400 CS Center representative who received the call and the type of work order created, and name of the assigned staff member who handled the case. As shown in the record, this complaint was about a property owner's car always parked in the wrong spot. The complaint was categorized as a security service issue. The head of the security team handled the issue in time and communicated with the customer, who expressed understanding. The 400 CS Center representative followed up with the customer on this case.

当前状态: 已解决	来源: 400	服务人员: 张强
处理阶段: 投诉	工单类别: 投诉-安全服务	地址: 朝阳区世纪城4号楼2-1102
客户名称: 王瑞平	客户电话:	处理人:
客户电话: 18538930166	处理时间: 7200.00	创建时间: 2019-02-01 07:51:03
问题描述: 业主于14日车位被占用, 每次都是一辆黑车 (开头: 京A, 结尾: 699), 打了至少十九次电话了, 每次都要求至少一个小时, 不可以, 需处理		
处理结果: 安全负责人已及时处理, 安全负责人已和业主进行沟通, 业主表示理解。		
处理过程:		
跟进单		
负责人:	跟进人: 张强	跟进时间: 2019-02-01 07:51:03
完成情况		
完成人: 张强	完成时间: 2019-02-01 13:57:17	
完成结果: 安全负责人已和业主进行沟通		

Below is our CRM system record of a customer maintenance request handled in March 2019. The record covered details on the current case status, problem description, handling process including result, customer's contact information, name of the 400 CS Center representative who received the call, the type of work order created and name of the assigned staff member who handled the case. As shown in the record, this request was about water leaking from the upstairs neighbor. The maintenance request was categorized as a customer service issue. Maintenance staff handled the issue in time and communicated with the customer with an acceptable feedback, and the 400 CS Center representative followed up with the customer on this case.

当前状态: 已解决	来源: 400	服务人员: 李云飞
处理阶段: 工单	工单类别: 客户报修-维修+房屋设施	来源: 400
地址: 朝阳区世纪城7号楼7-1-2005	客户名称: 王瑞平	客户电话:
客户电话: 18538930166	处理时间: 7200.00	创建时间: 2019-03-28 20:02:53
问题描述: 楼上卫生间漏水, 之前报修过, 现在又漏水了, 麻烦处理		
跟进单		
负责人: 李云飞	跟进人: 李云飞	跟进时间: 2019-03-28 20:17:54
完成情况		
完成人: 李云飞	完成时间: 2019-03-28 21:20:14	
完成结果: 维修已顺利完成, 楼上卫生间漏水, 已修复, 业主表示理解。		

In 2019, the 400 CS Center received 211,172 inbound calls and made 302,437 outbound calls, with an overall information processing rate of above 99.47% and a customer satisfaction rate of above 90%. We received 10,057 phone calls from property owners and occupants complimenting our services.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2.3 Maintaining Customer Relationship

We have established the Customer Relationship Maintenance Guidelines to clarify responsibilities of the Group's different sectors and streamline procedures in maintaining customer relationships. In accordance with the guidelines, each year we carry out a series of events and programs such as the Spring Breeze Initiative, Quality Improvement Plan and the 100-Day Accident-Free Program. These activities help us better understand customers needs and enhance customers interaction.

Case Study: Spring Breeze Initiative

Good life lies in continuous creation. From March 2019 to May 2019, we launched a series of Spring Breeze Initiative activities, from the three dimensions of refreshing employees' professional skills, refreshing customer experience and refreshing the neighborhood environment, we strived to create a blissful life through our quality service. We organized a variety of programs such as employee care and skill training to help energize our employees; through various heartwarming community-oriented activities, we helped improve residents' life satisfaction and fill our communities with love and hope; to ensure a comfortable living environment, our environmental, cleaning and maintenance staff took actions to beautify the neighborhood environment at our project sites.



Spring Breeze Initiative: brand new look of the neighborhood



Neighborhood cleaning and beautification



Neighborhood lifestyle festival



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Case Study: 100-Day Accident-Free Program

In order to comprehensively investigate and manage safety risks, strengthen employee safety education and create accident-free communities, we launched the 100-Day Accident-free Program in the “Safe Xinyuan, Strike of the Sword” initiative in November 2019, focusing on fire drills, neighborhood patrols and safety risk elimination. The program details are as follows:

- 1) Holding internal kickoff meeting and enhance property owners’ awareness of the program through text messages, customer service staff’s WeChat posts and community bulletins.
- 2) Focusing on civil, technical and physical defense on safety issues and conducting emergency drills to enhance employees’ emergency response abilities.
- 3) Conducting safety inspections of facilities and equipment as a preventative measure, expanding patrol area, increasing patrol frequency and enhancing vehicle and personnel access control to safeguard the communities.
- 4) Carrying out emergency drills once every month to enhance employees’ emergency response skills, and holding public talks and other community-oriented activities with property owners and occupants to help raise their safety awareness and develop emergency response plans.



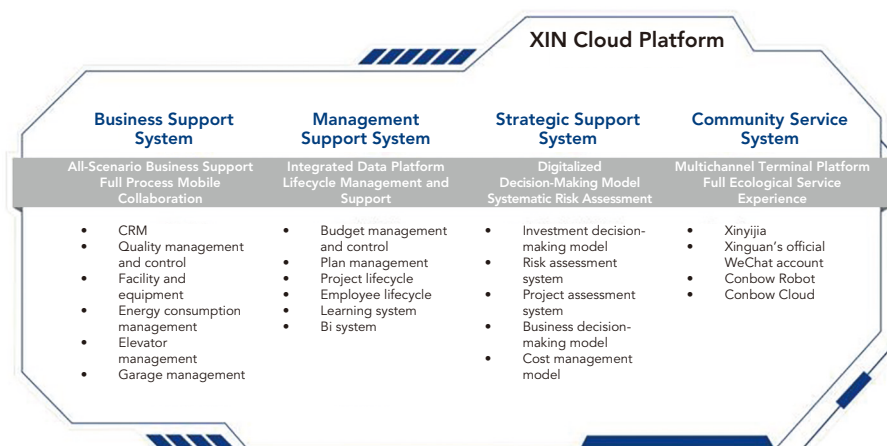


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

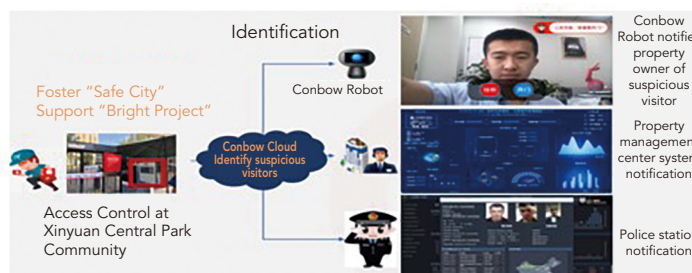
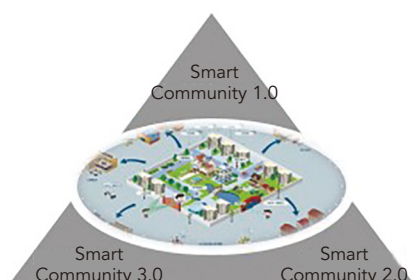
3.2.4 Enhancing Customer Experience with Information and Smart Product

3.2.4.1 Developing Information Technology and Smart Community

In 2019, we fully launched the four platforms for smart property management, including the business support, management support, strategic support and community service platforms. We utilized the platforms to their full extent through information technology and various dimensions such as on-site work, management and operation, strategy and decision-making and community service efficiency improvement. As a result, we have achieved a 19.5% increase in the annual average per capita managed area on a year-over-year basis.



We have completed the planning and construction of the smart community systems 1.0, 2.0 and 3.0 and the upgrades of the community smart hardware. Leveraging on technologies such as facial recognition, deep learning and AI recognition, we have achieved unified authentication and management of resident information and identity verification and seamlessly connected with government information platforms, penetrating digitalized services throughout all community life scenarios.



Smart Community Co-Prevention and Co-Response Scenario



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2.4.2 CRM System

The CRM system is a property owner information and data management system. Upon receiving a customer report, inquiry or request, the 400 CS Center representative inputs the information into the CRM system, which automatically assigns the work order to relevant staff members. The assigned staff member can process the order through the employee end of the system, and customers can rate the staff afterwards.

Besides signing in and out of work and processing work orders, employees can also attend mobile learning courses through the CRM system, and security staff can use the CRM system as a memo to assist with their patrolling duties.



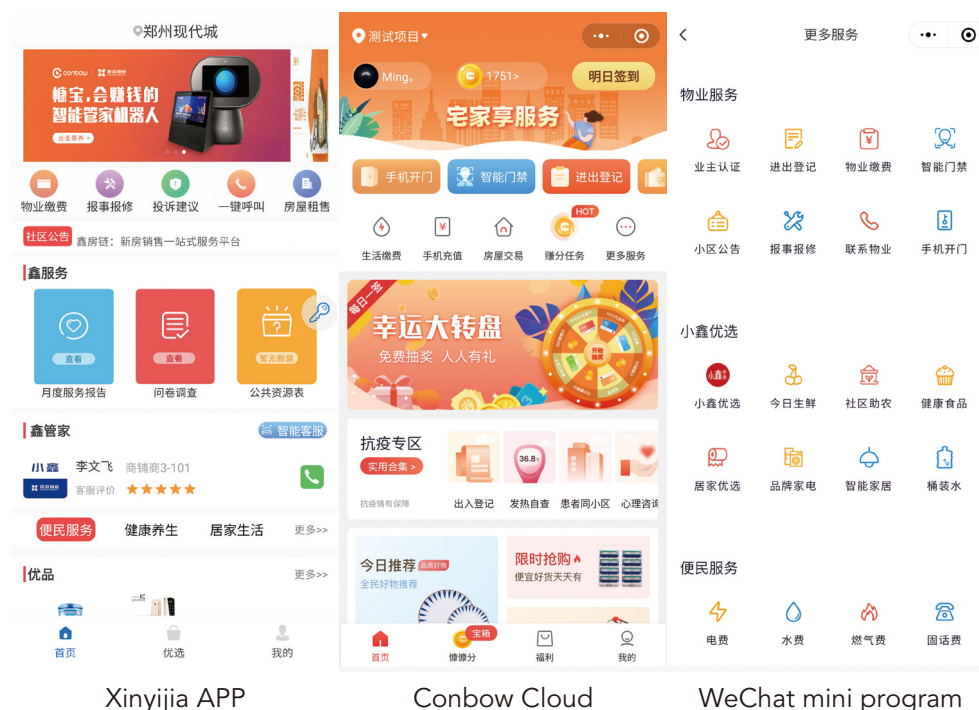


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2.4.3 Xinyijia and Conbow Cloud

Xinyijia is our integrated one-stop mobile application introduced to property owners and occupants in 2014. Xinyijia centers around community service and covers property service, community service, online shopping, third-party interface docking, smart customer service, housekeeper interaction and other functions. Through the Xinyijia APP, users can pay property management fees, submit complaints and maintenance requests, access news and community bulletin and shop online.

In order to better meet property owners' online service needs, we also launched the Conbow Cloud Housekeeper Platform in 2019. Centering around property owners' daily needs, through the Conbow cloud platform, we provide comprehensive services that integrate property services, smart community, smart living, online marketplace, vertical e-business and peripheral services. Combining the Conbow cloud platform with on-site staff's service advantage, contact advantage and space operation advantage, we further implemented the online-merge-offline (OMO) community service model to enhance the experience of property owners and customers and continuously develop the online service ecosystem.



Xinyijia APP

Conbow Cloud

WeChat mini program



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Case Study: Facial recognition access control device at the main entrance; gates can also be opened using mobile phones through the Conbow Cloud, WeChat mini program and the Xinyijia APP.



4. "XIN" OPERATION

We abide by the Advertising Law of the PRC, the Law of the PRC on the Protection of Consumer Rights and Interests, the Tort Law of the PRC, Regulation on the Administration of Security and Guarding Services and other relevant laws and regulations relating to our services. During the Reporting Period, there were no non-compliance cases relating to health and safety, advertising, labelling and privacy matters relating to products and services provided.

4.1 Information Security and Risk Prevention

Based on the Regulations of the PRC for Safety Protection of Computer Information Systems, we established the Information Security Management Standards which specifies staff duties and rules for managing the security of the information technology ("IT") system, data, equipment and passwords, software and hardware, server room, and the internet.

For customer privacy protection in particular, we developed the Customer Information Protection Mechanism and Customer Information Management Guidelines that lay out detailed protocols for collecting, maintaining and protecting customer information including but not limited to customer name, contact information, vehicle information, address, occupation, and family members. New employees are required to sign a non-disclosure agreement that specifies employee responsibility in protecting customer privacy; upon an employee's departure from the company or reassignment of duties, IT staff will cancel or adjust the employee's information access such as emails and the OA system in a timely manner.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.2 Supply Chain Management

As a leading pan-property industry operator, we pay attention to not only our own operation, but more importantly the quality of our suppliers' products and services. We strive to let each of our service products, such as cleaning, landscaping, maintenance, and safety to be perfectly demonstrated. Therefore, we established the Supplier Management System for General Procurement for supplier recruitment and evaluation.

Our suppliers and subcontractors primarily consist of: 1) Companies specialized in safety and security, cleaning and hygiene, gardening and specialized maintenance services; 2) Utilities providers such as electricity and water supply companies; and 3) Gardening and cleaning supplies companies. To better manage suppliers' environmental and social risks, we have incorporated relevant considerations into procurement management, contract establishment and other aspects of supply chain management.

During the procurement process, we carefully evaluate potential suppliers in accordance with the Company's overall Tender and Procurement Management System as well as requirements specific to the supplier category. For office supply procurement, we follow the Supplier Management System for General Procurement which outlines working procedures to screen, recruit and evaluate suppliers, and specifies circumstances under which the partnership shall be terminated, such as when the supplier practices bribery, price gouging and unfair competition. We use a scoring system to review suppliers' performance and categorize the suppliers into A-, B- and C-level based on the scores. B-level suppliers are given warnings and reminded of relevant company policies and rules; C-level suppliers are regarded as unqualified with whom we will terminate partnership.

Management systems for other supplier categories such as equipment maintenance service provider and construction companies also include requirements on the supplier's environmental and social performances, including handling waste materials in accordance with our company rule, and only using materials and equipment that comply with relevant standards to ensure the health and safety of products and services.

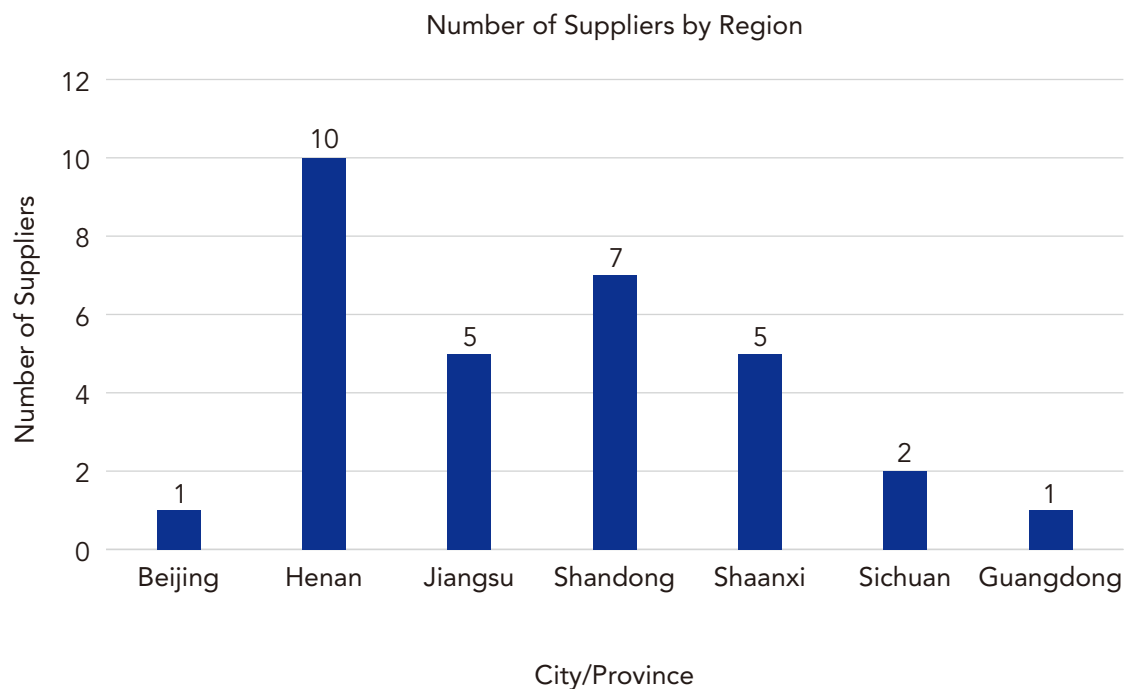


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our service contracts with the suppliers also contain stipulations related to supplier environmental and social responsibilities. For instance, the Cleaning Service Contract stipulates that "Party B shall establish legal labor relations with its employees, and is responsible for employees' social insurance, salary and all other expenses" and that "on managing clean water sources, Party B promises to adopt the following measures: designate personnel to manage water resources and value water conservation; conduct frequent checks to prevent water leakage".

Similarly, our Landscaping Service Contract specifies that "Party B shall use pesticides, insecticides and other chemicals properly according to the national regulations, and shall not pollute the site's air and water", and that "before Party B conducts work at height or sprays chemical substances, it shall provide safety training to workers, maintain training record, and take all safety precautions".

The chart below shows our supplier distribution by geographical region¹.



¹ During the Reporting Period, we tracked the number of suppliers for office, gardening, lighting, maintenance, and advertising products. We plan to tabulate other suppliers (e.g. security service providers) in the next reporting period.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4.3 Integrity Management

We abide by the Anti-Money Laundering Law of the PRC, Anti-Unfair Competition Law of the PRC, Company Law of the PRC, and other laws and regulations relevant to anti-corruption. We have developed the Anti-Corruption Code of Conduct, to be followed by all employees of the Group and our suppliers. The Code of Conduct specifies our “Zero-Tolerance Policy” towards any form of corruption, bribery, theft, fraud, extortion, and other illegal transactions, and also establishes rules regarding handling conflict of interest, the use of company assets, data protection and information security, and protecting trade secrets. Violations of the Code of Conduct can be reported through the company’s compliance and anti-corruption hotline (400-717-5588), and by emailing or calling our Audit and Legal Department. The Audit and Legal Department investigates the reported violation and once the case is confirmed, the department will notify law enforcement agencies, and take disciplinary actions against the violator such as terminating employment or partnership, while ensuring the safety of the whistleblower. To more effectively communicate our rules on anti-corruption to employees and prevent violations, we designate a section in the Employee Manual to employees’ self-discipline and integrity, specifically prohibiting bribery, extortion, fraud, and abuse of power.

In the case that the Board of Directors and the senior management violate anti-corruption related rules, we handle in accordance with the Group’s Punishment for Violations of Duties of Honesty, Loyalty, Prudence, Care, and Diligence, including administrative punishment such as warning and demotion, as well as economic punishment such as canceling performance rewards.

During the Reporting Period, there were no non-compliance cases relating to bribery, extortion, fraud and money laundering, and there were no concluded legal cases regarding corrupt practices brought against the Group or its employees.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5. “XIN” TALENT

5.1 Talent Recruitment and Retention

5.1.1 Recruitment Management

We adhere to the requirements of the Labor Law of the PRC, Labor Contract Law of the PRC, the Social Insurance Law of the PRC and other applicable laws and regulations. During the Reporting Period, there were no non-compliance cases relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare, and preventing child and forced labor.

We have developed the Staff Recruitment Management Guidelines, which lay out details on recruitment standards for different positions, recruitment procedures, candidate background check guidelines, and salary determination process. To prevent child labor, we have set a minimum age of 18 for employment and verify new employees' identity and employment eligibility before they report to work; if violations of the minimum employment age requirement occur, responsible staff members will be punished in accordance with the company rules. We establish labor relations with the employees on an equal and voluntary basis to avoid forced labor.

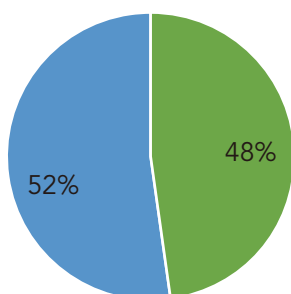
The Employee Manual details our salary and bonus structure, dismissal and promotion-related policy, working hours, rest periods, and other company policies related to employment. We strictly follow a work schedule of 9:00 a.m. – 12:00 p.m. and 1:30 p.m. – 6:30 p.m. Monday through Friday and discourage employees from working beyond the scheduled hours to prevent overtime. The Employee Manual also provides contact information of personnel department where employees can file complaints, to enhance internal communication and guarantee employee rights.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.1.2 Employee Composition

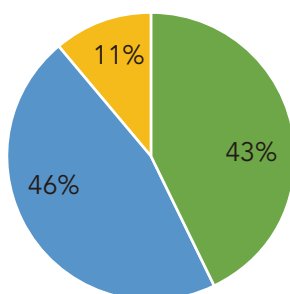
As of 31 December 2019, we had a total of 1,343 employees, categorized below by gender, age, and seniority.

Employee Distribution
by Gender Group



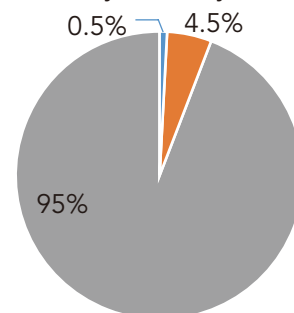
■ Female ■ Male

Employee Distribution
by Age Group



■ 30 or below ■ 31-50
■ 51 or above

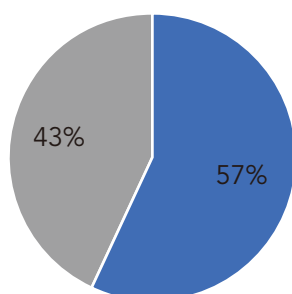
Employee Distribution
by Seniority



■ Senior level ■ Mid level
■ Staff level

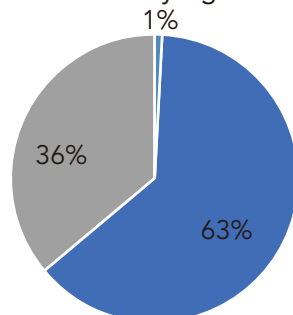
The average employee turnover rate in 2019 is 0.94%. It is categorized below by gender and age.

Distribution by Gender Group



■ Female ■ Male

Distribution by Age Group



■ 30 or below ■ 31-50
■ 51 or above



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.1.3 Employee Benefit

Besides employee benefits required by law such as social insurance and housing fund contributions, we provide employees with commuter benefits, rental subsidy, travel allowances and other monetary benefits, paid holidays, and others such as birthday and holiday gifts, study funds for staff's children, and financial aid for staff with special needs. We also distribute care packages and supplies to cleaning staff, landscaping workers and other outdoor workers in winter and summer. In addition, in 2019 we organized various employee-oriented leisure and team building activities such as hiking, marathon, scenic spot visit, sports game, Father's Day and Mother's Day celebration, and National Day celebration, etc.



Spring employee team-building activities



Employees paying visit to Hongqiqu Scenic Spot for team and Party building



The Group's 21st anniversary celebration sports game





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.2 Employee Solidarity and Well-Being

We abide by the Labor Law of the PRC, Labor Contract Law of the PRC, and other laws and regulations relevant to occupational health and safety. To protect employees' health and enhance safety awareness, we developed the Employee Occupational Health and Safety Management Guidelines, listing out potential risk factors in each work module, including environmental, engineering and security, and the corresponding control measures. The Guidelines also contain steps to handle emergencies such as electric shock, heat stroke and traffic accidents, as well as the reporting procedure for occupational injuries. During the Reporting Period, there was no non-compliance with occupational health and safety related laws and regulations that would have a significant impact on the Group.

Before new employees report to work, they need to complete and pass an entrance physical exam and a "triple-level" safety training. The training contains safety information on the level of the Group, specific projects and individual project service centers, and is given by representatives from each level. For specific job functions such as landscaping and cleaning, we have developed step-by-step protocols with pictures to help staff properly operate and maintain the tools and machinery to avoid injuries. Each year we arrange complimentary physical examinations for all active employees. In 2019, we hosted the "Energetic Xinyuan-er, Stride Towards 'XIN' Journey" recreational sports games to promote corporate culture and spirit, liven up the team, demonstrate employees' healthy and cheerful spirit, and encourage employees to maintain a positive work attitude.



Employee recreational sports game





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



In the event that employees are injured at work, we will arrange immediate medical assistance for the injured employee and conduct incident record keeping in accordance with local social security bureau's requirements. We will process medical expense reimbursement and related matters according to the employee's treatment progress. In 2019, we had one workplace incident where an employee suffered from strained muscle and other minor injuries and needed to take time off to recover; we took prompt and proper actions as stated above to handle the incident and help with the employee's recovery. There was no work-related fatality during the Reporting Period.

2019 Employee Health and Safety Data

Number and rate of work-related fatalities	0
Lost days due to work injuries	45



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.3 Treating Employees with Sincerity and Support

Our corporate spirit is pursuing personal development and going above and beyond. We establish clear career development and promotion paths and comprehensive training system, and categorize employee positions into management positions and professional positions based on individual employee's capabilities and strengths. We enable employees to utilize their expertise and continue to grow, performing better than before joining the Group. In order to better understand employees' job performance, we set up monthly and annual performance reviews, results of which serve as an important basis for employee promotion and salary increase.

To improve employees' professional skills and standardize the Group's training-related workflow, we developed the Employee Training Management System. The System details the training programs we provide, such as new staff training, training camps for the head of each service module, management trainee program, training for newly promoted management personnel, reserved management talent training, and programs targeted at the upper management. Contents of the training programs range from operation standards, occupational health and environmental protection, to company culture, management skills and work ethics. Frequencies of training vary from daily (e.g. the "10-Minute Safety Drill" program for security staff) to annual (e.g. training programs for the upper management), depending on the nature of the programs and targeted trainees. For instance, the head of each business module engages staff on-duty in the daily "10-Minute Drill" to enhance staff's professional skills through mock scenarios. Topics covered in the drill include use of polite languages, code of conduct, emergency response etc., depending on the responsibilities of the individual business module. We also include training program information in the Employee Manual to make sure employees are aware of the professional development opportunities and resources available to them.

We develop training plans every year and also increase or adjust the content of training programs every month depending on the latest project needs. The training plans include professional skill competitions covering the security, customer service and cleaning modules as well as employee knowledge contests. All training programs have evaluation forms, where participants evaluate the content of training, course schedule and the instructor, in order to guarantee the effectiveness of future training programs.

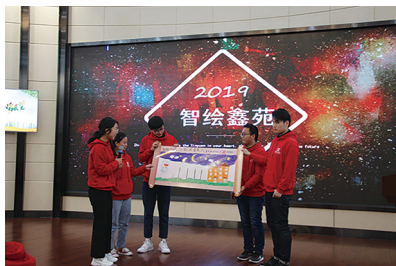
During the Reporting Period, among the employees attending training programs, 2.1% were senior-level employees, 30.8% were mid-level employees, and 67.1% were from the staff level.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



New staff training (targeted at fresh college graduates)



Training programs for newly promoted management personnel

Case Study: We arranged the 18th Safety Service Skills Competition in June 2019 to strengthen team cohesion and service skillsets of our staff from the safety and security module. The competition consisted of martial arts show, scene simulation, fire safety drills and more. A total of 13 teams formed from various regional project sites across the country participated.



Fire drills



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Case Study: In order to provide a safe and comfortable living environment for property owners and prevent fire safety risks at the project sites, our regional offices and property management projects organized fire drills in 2019 to assess risks at the project sites and help enhance staff's emergency preparedness and better serve the property owners.



Joint fire drill with local fire department

6. "XIN" ENVIRONMENT

6.1 Green Management

While we emphasize corporate growth and service quality, we place equal emphasis on fulfilling our social responsibilities, and protecting the environment is our obligation. We strictly follow the Environmental Protection Law of the PRC, Water Pollution Prevention and Control Law of the PRC, Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes, and other applicable laws and regulations. During the Reporting Period, there were no non-compliance cases relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Although our business practices do not tend to incur significant impacts on the environment and natural resources, we pay close attention to environmental protection and resource conservation, and have established a comprehensive system that is in conformity to the requirements of ISO14001 to manage and minimize our environmental impacts.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Internally we have established the Environmental Protection Planning and Operation Procedure to better identify, evaluate and manage environmental factors in our property management services to minimize impacts on the environment. The procedure lays out responsibilities of the Environmental Protection Operation Team, formed by technical staff from the functional units, regional offices and project service centers who work on environmental protection and pollution prevention related issues. The team identifies relevant environmental factors by considering eight perspectives and their compliance requirements, including air emission, discharge into water and land, raw material and natural resource consumption, energy consumption, energy discharge, waste and by-product, and physical property. In an Environmental Factor Identification and Evaluation Chart, the team inputs those identified environmental factors, evaluates their importance using a scoring system, and proposes measures to prevent, reduce or control pollution or waste. The completed chart is evaluated by management and then distributed to each business and functional unit as a reference for controlling environmental factors in daily activities. Contents of completed charts are selected and compiled in the example below.

No.	Product/activity/ service	Position	Environmental factor	Severity	Probability	Legal requirement	Public attention	Other requirement	Important factor?	Direct control measure
Functional Unit: Information Technology Center										
1	Computer operation	IT	Radiation	1	4	2	2	3	NO	Optimize work plan, reduce time working in front of computer
2	Hardware waste	IT	Wire and computer waste	1	3	2	0	1	NO	Contact supplier in time for waste cycling
Business Unit: Zhengzhou Xinyuan XinJia										
1	Application of LED lights	Maintenance	Energy conservation	5	2	2	3	3	YES	
2	Printer management	Administration	Noise generation	1	5	3	2	3	YES	Add anti-vibration mat under printer

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Scoring key (on a scale of 1 to 5):

- Severity: the factor's impact on company growth; the amount of cost can be potentially saved
- Probability: likelihood and frequency for the factor to materialize
- Legal requirement: level of stringency of the requirements in relevant laws and regulations and EIA reporting requirements
- Public attention: likelihood the public will pay attention to/complain about the factor
- Other requirement: relevancy to company goals

Materiality assessment: if any of the five criteria receives a score of 5, or the total score is above 15, the factor is identified as an important environmental factor.

6.2 Green Operation

6.2.1 Resource Management

We actively engage employees in energy and resource conservation in daily work activities and have incorporated relevant policies into the Employee Manual and the Office Environmental Management Guidelines. Below are examples of our policies and measures on improving energy efficiency, which helps reduce the associated greenhouse gas emission, and other approaches to protect the environment.

- Employees shall increase awareness of energy conservation, low carbon and environmental protection.
- Turn off computers, air conditioning and other office equipment and cut the power before leaving work. (Employees who fail to fulfill these requirements may receive a fine of RMB50 each time.)
- Air conditioning shall only be used in summer during June-September when temperature is above 30°C, and temperature shall not be set below 26°C, and in winter during December-February when temperature is below 15°C, and temperature shall not be set above 20°C. Daily electricity consumption of air conditioning shall be kept under 18 kWh.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Purchase office furniture made from environmentally friendly materials.
- Cap per capita purchasing amount of paper and other printing supplies; encourage employees to go paperless.
- Use voice-controlled public lighting system in office areas.

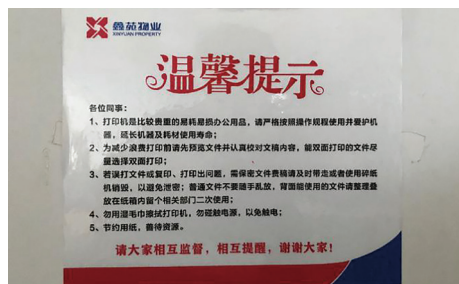
We also post signage in office space and public areas to remind employees to conserve water, electricity, paper and other resources, and implement flow control at certain faucets to reduce water consumption. During the Reporting Period, we did not have any issue in sourcing water that is fit for purpose.



Water conservation sign



Electricity conservation sign on air conditioner



Paper conservation sign on printer

6.2.2 Waste Management

To reduce the amount of office waste generated, we monitor the overall amount of office supplies and prioritize those can be recycled and reused when making purchasing decisions. We rent printing equipment from qualified 3rd party supplier; cartridges and other waste printer parts are collected and handled by the supplier.

Other office waste and kitchen waste are collected daily by a qualified professional company. Construction waste, if generated, is stored separately from office waste and kitchen waste, and is handled by a qualified company. Hazardous waste chemicals and pharmaceutical waste, if generated, are stored at designated locations or destroyed in accordance with the Pharmaceutical and Hazardous Chemical Management Procedure.

To reduce waste generation, we optimize work practices to reduce the procurement and usage of hazardous materials, promote resource conservation among employees, and impose punishments on non-compliance with the work standards.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6.3 Green Community

6.3.1 Waste Categorization

We actively respond to the national call for waste sorting practices by establishing and implementing the Waste Sorting Management Guidelines for our property management projects across the country. The guidelines specify the responsibilities of the Operation Management Department, regional offices, and property service centers on waste sorting management, and lay out detailed protocols on setting up garbage containers and signage, collecting and transporting waste, and managing customers' waste sorting practices in accordance with local regulations, as well as reward and punishment system should offices and employees fail to fulfill their waste management duties.

At our property management projects across the country, we set up four garbage bins per building unit for collecting recyclable waste, kitchen waste, hazardous waste, and other waste according to local requirements. For large-sized waste, we contact professional recycling company or environmental hygiene service provider for handling. Hazardous wastes are collected and transported on a regular basis by qualified professional companies in accordance with local laws and regulations.

In 2019, we also hosted various educational activities to help raise awareness of waste sorting among property owners and occupants and to facilitate proper waste sorting practices in the communities.



Garbage bins for different waste types at one of our project sites in Zhengzhou



Community – oriented educational events on waste sorting

In addition, to promote recycling practices and reducing waste generation, we have designated garbage bins at the project sites for metal, plastic, paper, clothing, and waste battery.



6.3.2 Energy and Resource Conservation

To better conserve electricity, water and other resources at our property management sites, at the end of 2018, we established the 2019 Energy Conservation and Consumption Reduction Plan. The plan proposes measures such as adjusting public lighting schedule to improve energy efficiency, replacing basement lights with LED lightbulbs, installing door jamb light switches at the storage rooms, and reusing water from the outdoor fountains for landscape watering. Through these measures, during the Reporting Period we realized the goal of 5% reduction in electricity consumption compared to 2018. In addition, we promote the use of solar power at our project sites to help reduce air emissions associated with electricity consumption.

Case Study: Solar water heater

We strive to promote renewable and clean energy in our projects and have developed corresponding medium- and long-term plans. At three property management sites in Jinan, Shandong Province in eastern China, we installed a total of 3,368 solar water heaters in 2019, which saves approximately 1,440,000 kWh of electricity every year compared to energy consumption before the installation, helping reduce the amount of pollutant and greenhouse gas emissions as well as water usage associated with electricity generation.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Solar water heaters help reduce:

SO ₂ emissions	0.29 tonnes
NO _x emissions	0.27 tonnes
Water consumption	1,771.20 tonnes
CO ₂ emissions	1,211.04 tonnes

Note: The above reductions were based on comparison with coal-fired power generation. Calculations referenced coefficients provided in the China Power Industry Annual Development Report issued by the China Electricity Council in 2019.

Case Study: Smart irrigation system and water reuse

We uphold the mission of creating and sharing smart cities and homes, and developing smart property service is our corporate goal. We make full use of smart technologies when it comes to resource conservation. We have installed smart irrigation system in 22% of our property management projects. The system uses a smart controller to control multiple valves and water pumps, and draws water stored in outdoor fountains and reuses it for irrigation purposes according to a preset watering schedule, which saves water as well as manpower. At our YiPinXiangShan property management site, the smart irrigation system combined with water reuse saves approximately 800 tonnes of water annually, compared to water consumption before smart irrigation and water reuse were introduced in 2019.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6.4 Environmental Performance Data

No.	Key Performance Indicator	Unit	Data for 2019
A1.1	NO _x emissions	Kg	6.93
	SO _x emissions	Kg	0.29
	Particulate matter	Kg	1.30
A1.2	Greenhouse gas emissions (Scope 1)	Tonnes CO ₂	44.14
	Greenhouse gas emissions (Scope 2)	Tonnes CO ₂	8,934.73
	Total greenhouse gas emissions (Scope 1+2)	Tonnes CO ₂	8,978.87
A1.3	Hazardous waste	Tonnes	Note 2
A1.4	Non-hazardous waste	Tonnes	Note 2
A2.1	Gasoline consumption	GJ	639.72
	Gasoline consumption intensity	GJ/vehicle	79.97
	Purchased electricity	GJ	5,244.48
	Electricity consumption intensity	GJ/10,000 m ²	1,337.88
	Purchased heating	GJ	73,476
	Heating consumption intensity	GJ/10,000 m ²	3,532.50
A2.2	Total water consumption	Tonnes	30,888.00
	Water intensity	Tonnes/10,000 m ²	7,879.59

Notes:

1. The reporting scope of A1.1 (emissions from vehicle usage) is the Group and its subsidiaries; the reported purchased electricity consumption and water consumption covers the office areas of the Group and its subsidiaries; the scope of purchased heating covers projects managed by the Group's branch offices in Xi'an and Gongyi.
2. We are currently streamlining waste accounting procedures and plan to provide hazardous and non-hazardous waste data for 2020 in the next Reporting Period.
3. The Group mainly provides property management services and does not use packaging material.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. Calculations of air pollutant emissions referenced the Technical Guidelines for the Preparation of Air Pollutants Emission Inventory for Road Vehicles (Trial), published by the Ministry of Ecology and Environment.
5. Greenhouse gas emissions (scope 1) are mainly from vehicle usage; greenhouse gas emissions (scope 2) are mainly from purchased electricity and purchased heating. Calculations of scope 1 emissions referenced the Land Transport Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial), published by the National Development and Reform Commission; calculations of scope 2 emissions referenced the 2011 and 2012 China Regional Power Grid Average Carbon Dioxide Emission Factor, and the Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries, both published by the National Development and Reform Commission.
6. Conversion factors for gasoline consumption referenced People's Republic of China GB17930-2016 Gasoline for Motor Vehicles, and the Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries, published by the National Development and Reform Commission.

7. “XIN” COMMUNITY

Our corporate goals are to exceed customer expectations, innovate service value, and become a leading pan-property industry operator, so that customers can always enjoy products and services beyond expectation and a healthy and joyful life.

Customer is the basis of our corporate; creating better homes for customers is the reason for our existence. Our understanding of and also ways to achieve the mission of creating and sharing smart cities and homes is that we should respect and understand our customers and effectively provide them with quality service, so that customers can enjoy safe, convenient, harmonious, and blissful residing experience.

“Serving the society” and “building harmonious community” are two of the six management schemes in our Integrated Management System. In 2019, we organized a variety of community-oriented cultural, educational and fitness activities and social welfare events to invigorate the community and give back to the society.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7.1 Colorful Activities and Joyful Communities

Case Study: Mid-Autumn Festival Celebration

In September 2019, we organized Mid-Autumn Festival celebrations at various property management project sites across the country. The celebrations included art performances, banquets, mooncake DIY, lantern DIY, and other fun traditional events. Through these activities we hope to help enrich our customers' everyday life, enhance neighborhood bonding, and generate a deeper understanding and appreciation of the Chinese traditions and cultural heritages among the participants.



Case study: Support the College Entrance Examination

In June 2019, in order to create a desirable study environment for students attending the National College Entrance Examination, we posted notices in the neighborhoods and also on social media, advising property owners and occupants to reduce noise-generating construction activities and avoid honking in residential areas. We also distributed stationery and care packages to students. On the examination days, we provided free ride service for students to the test centers and set up service stations near the test centers to give out complimentary bottled water and medicine to help students and parents cope with the hot weather.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7.2 Devoted to Public Welfare and Giving Back to Society

Case study: Poverty alleviation through "Power of the Community"

In January 2019, the General Office of the State Council issued a guiding opinion on poverty relief, which officially establishes poverty alleviation through consumption as a new approach to combat poverty issues in China. In response, we actively engaged in the "Power of the Community" poverty relief operation initiated by China Property Management Association and other organizations, where we brought in farm produce from poverty-stricken areas to the communities we serve and encourage consumption among property owners and occupants. These events were well received, and consumers showed great satisfaction and appreciation towards the high-quality produce, such as millet, sweet potato, pear, peanuts and many more.

Besides purchasing the produce directly from booths set up in the communities, consumers can also browse produce categories and submit purchase orders online through "Xiaoxin U-Pick", our own online shopping platform. Proceeds from the online sales would be used to purchase more produce rather than as direct donation, to effectively help lift poor farm households from poverty through consumption.

As an acknowledgement of our efforts in the "Power of the Community" poverty relief operation, we received the Corporate Contribution Award for Poverty-Alleviation through Consumption at the Second China Community Poverty-Alleviation Association Council Meeting held in December 2019. We will continue to merge community-supported agriculture with our property management services and contribute to the welfare of the society.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



8. "XIN" DEFENSE: COMBATING THE NOVEL CORONAVIRUS DISEASE (COVID-19)

We took immediate and affirmative action in January 2020 as nation-wide efforts in combatting the outbreak began. We formulated emergency response plans and distributed to regional offices and project sites; all frontline management staff returned to work early before the Spring Festival holiday ended. We developed the Disease Prevention and Control Implementation Guidelines, specifying responsibilities of upper-level and lower-level offices, outlining disinfection frequency requirements and disinfection area allocation scheme, and stipulating detailed work protocols to be followed by staff from the cleaning, maintenance, customer service, and security modules. Selected measures we adopted to protect the health and safety of our customers and employees are discussed below.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8.1 Building “XIN” Defense Line through Joint Prevention and Control

8.1.1 Swift Activation of Emergency Response Mechanism

In the early stage of the disease outbreak, Xinyuan had quickly activated the emergency response mechanism to ensure the procurement and stock of protective and disinfection supplies through various channels, and formed nationwide dispatch system for disease prevention supplies. By the second day of the Spring Festival Holiday, we had distributed single-use medical face masks from the headquarter to our project sites across the country, and at the same time secured supplies such as face masks, protective clothing, goggles, disinfectant, and medical alcohol for frontline employees through regional collaboration. We gave out 35,000 complimentary single-use medical face masks to property owners and donated 10,000 single-use medical face masks to industry peers in Wuhan. Under a general lack of disease prevention supplies, we effectively secured supplies for our frontline staff and property owners and guaranteed the effectiveness of subsequent disease prevention and control activities.

8.1.2 “XIN” Community Environment Management

Scientific Design of Disinfection System:

We mobilized all available manpower to conduct frequent checks of the trash collection area to make sure the area was clean and garbage bin lids were closed, and staff disinfected the area every 3 hours. We focused on cleaning and disinfecting the areas hard to reach such as gutters, basements, waste transfer stations, and drainage ditches, as well as the spots property owners tended to touch. At the main entrances of our property management sites, staff set up designated areas with labeled garbage bins for disposal of used face masks, and the garbage bags were sealed and disinfected every 2 hours.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Constructing scientific disinfection mechanism:

We adopted different disinfection methods for different areas. Elevator buttons and doorknobs were disinfected with alcohol; stairways were disinfected with chlorine-based disinfectant; property owners' vehicles entering and exiting the sites were treated with disinfectant spray. We formed all-around disinfection mechanism and conducted frequent disinfection at the designated time and location with designated quantity, and had completed more than 50,000 disinfections at key locations. At the same time, we closely monitored disease-related information, which was combined with expert opinions to make timely adjustment to our disinfection scheme, such as providing tissue and toothpick at the unit gates and inside the elevators.

The staff strictly followed the requirements outlined in the Disease Prevention and Control Implementation Guidelines on preparing and using the disinfectant, the exact spot to disinfect, and disinfection method and frequency.



8.1.3 Working with the Community for Joint Prevention and Control

Control at guard stations:

Staff set up stations at the entrances of our property management sites to screen entrants' body temperature. Personnel and vehicles from disease-affected areas were not allowed to enter. Residents returning from other cities within the province needed to register at the guard station and conduct self-quarantine at home for 7–14 days.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Working with the community:

We posted relevant information online and through WeChat to keep property owners and tenants updated on the latest disease-related information and encourage community engagement in disease prevention and control activities. Besides putting up banners and notices at visible locations in the neighborhoods, we made full use of our online platforms and tools, including the Group's official WeChat account, Conbow Cloud WeChat mini program, property owners' Xinyijia APP, as well as social media account of our customer service representatives to relay disease-related information to a broader audience.

Our 400 CS Center had established a 24/7 nation-wide disease prevention and control dispatch system. By analyzing and incorporating property owners' feedback information, monitoring data and other information gathered from across the country, the 400 CS Center made timely decisions on problem feedback and other matters, facilitating disease prevention and control work.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8.1.4 Engaging All Staff in Prevention and Control to Guarantee Safety

The premise of disease-prevention and control at the project sites is to ensure the safety of our employees on duty. Each property management project distributed emergency medical supplies such as face masks to employees. Employees remaining on duty must wear a mask and replace it once every four hours. At the same time, before reporting to work every day, all staff needed to take body temperature measurement, apply disinfection hand sanitizer, and conduct detailed record-keeping; staff needed to report abnormal body temperature immediately and seek medical advice at the local hospitals. We restricted all staff on duty from visiting customers during holidays and suggested phone communication if necessary. Utensils, tableware, ground surface, and other areas at the staff canteens were disinfected regularly, and we implemented a staggered dining schedule where staff dined in isolation, in order to guarantee the safety of our employees.

8.2 Providing Convenience Service to Combat Disease Together

As property owners conducted self-quarantine at home, they might face certain difficulties such as obtaining groceries and necessities, receiving packages and take-outs ordered online, and seeking medical advice. Accordingly, we developed a suite of services to help solve these problems, selected and listed below.

- Procured vegetables through various channels across the country and sent them to communities we serve. Property owners could place orders on our “Xiaoxin U-Pick” platform and we would deliver the goods to their home.
- Disinfected deliveries and take-outs property owners ordered online and delivered to their home.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Helped property owners and tenants take out trash and complete utility fee payment.
- Our Conbow Cloud WeChat mini program provided 24/7 free online medical consultation service for property owners and occupants.
- Provided complimentary car cleaning and jump-start services and haircut services.





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX I LIST OF APPLICABLE LAWS AND REGULATIONS

ESG KPI	Compliance with Laws and Regulations
A1 Emissions	Environmental Protection Law of the People's Republic of China
A2 Use of Resources	Water Pollution Prevention Law of the People's Republic of China
A3 The Environment and Natural Resources	Environmental Noise Pollution Prevention Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes Air Pollution Prevention Law of the People's Republic of China Law of the People's Republic of China on Promoting Clean Production Environmental Impact Assessment Law of the People's Republic of China Regulations on Management of City Appearance and Environmental Sanitation Energy Conservation Law of the People's Republic of China
B1 Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Labor Dispute Mediation and Arbitration Law of the People's Republic of China Social Insurance Law of the People's Republic of China The Trade Union Law of the People's Republic of China
B2 Health and Safety	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
B4 Labor Standards	Labor Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG KPI

Compliance with Laws and Regulations

B6 Product Responsibility

Urban Real Estate Administration Law of the People's Republic of China
Regulation on Realty Management
Product Quality Law of the People's Republic of China
Trademark Law of the People's Republic of China
Advertising Law of the People's Republic of China
Regulations on Control of Advertisement
Regulations on Safety Supervision over Special Equipment
Regulation on the Administration of Security and Guarding Services
Special Equipment Safety Law of the People's Republic of China
Regulation on the Quality Management of Construction Projects
Work Safety Law of the People's Republic of China
Law of the People's Republic of China on the Protection of Consumer Rights and Interests
Tort Law of the People's Republic of China
General Provisions of the Civil Law of the People's Republic of China
Criminal Law of the People's Republic of China

B7 Anti-Corruption

Anti-Money Laundering Law of the People's Republic of China
Criminal Law of the People's Republic of China
Anti-Unfair Competition Law of the People's Republic of China
Company Law of the People's Republic of China



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX II HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on:	6.1, 6.2
	(a) the policies; and	Established a comprehensive system in conformity with the requirements of ISO14001; formulated the Environmental Protection Planning and Operation Procedure
	(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	
KPI A1.1	The types of emissions and respective emissions data	6.4
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	6.4
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	We are streamlining waste accounting procedure and plan to disclose this information in the future
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
KPI A1.5	Description of measures to mitigate emissions and results achieved	6.3
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	6.2, 6.3



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	6.2, 6.3
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	6.4
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	6.4
KPI A2.3	Description of energy use efficiency initiatives and results achieved	6.2, 6.3
KPI A2.4	Description of whether there are any issues in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	6.2, 6.3
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable ²

² The Group mainly provides property management services and does not use packaging material.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	6.1, 6.2
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Not applicable
Social		
Aspect B1: Employment		
General Disclosure	Information on:	5.1
	(a) the policies; and	Formulated a recruitment management system, and the Staff Recruitment Management Guidelines and Employee Manual
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	5.1 (only includes total workforce by gender, age and seniority)
KPI B1.2	Employee turnover rate by gender, age group and geographical region	5.1 (only includes employee turnover rate by gender, age and seniority)
Aspect B2: Health and Safety		
General Disclosure	Information on:	5.2
	(a) the policies; and	Formulated the Employee Occupational Health and Safety Management Guidelines
	(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	
KPI B2.1	Number and rate of work-related fatalities	5.2
KPI B2.2	Lost days due to work injury	5.2
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	5.2



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.3
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	5.3 (only include percentage of employees trained by employee category)
KPI B3.2	The average training hours completed per employee by gender and employee category	Consider for future disclosure
Aspect B4: Labor Standards		
General Disclosure	Information on:	5.1
	(a) the policies; and	Set a minimum age of 18 for employment and verify new employees' identity and employment eligibility before they report to work
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	5.1
KPI B4.2	Description of steps taken to eliminate such practices when discovered	5.1



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	4.2
KPI B5.1	Number of suppliers by geographical region	4.2
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.2
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	3.1, 3.2, 4.1 Formulated the Information Security Management Standards, Customer Information Protection Mechanism and Customer Information Management Guidelines
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with	3.2
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Consider for future disclosure
KPI B6.4	Description of quality assurance process and recall procedures	3.1
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	4.1



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosures and KPIs	Description	Relevant Chapter(s) in the Report or Other Explanation
Aspect B7: Anti-corruption		
General Disclosure	Information on:	4.3
	(a) the policies; and	Formulated the Anti-Corruption Code of Conduct and Employee Manual
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	4.3
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	4.3
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	7
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	7.1, 7.2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Consider for future disclosure