



# 大发地产集团有限公司

## DAFA PROPERTIES GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 6111



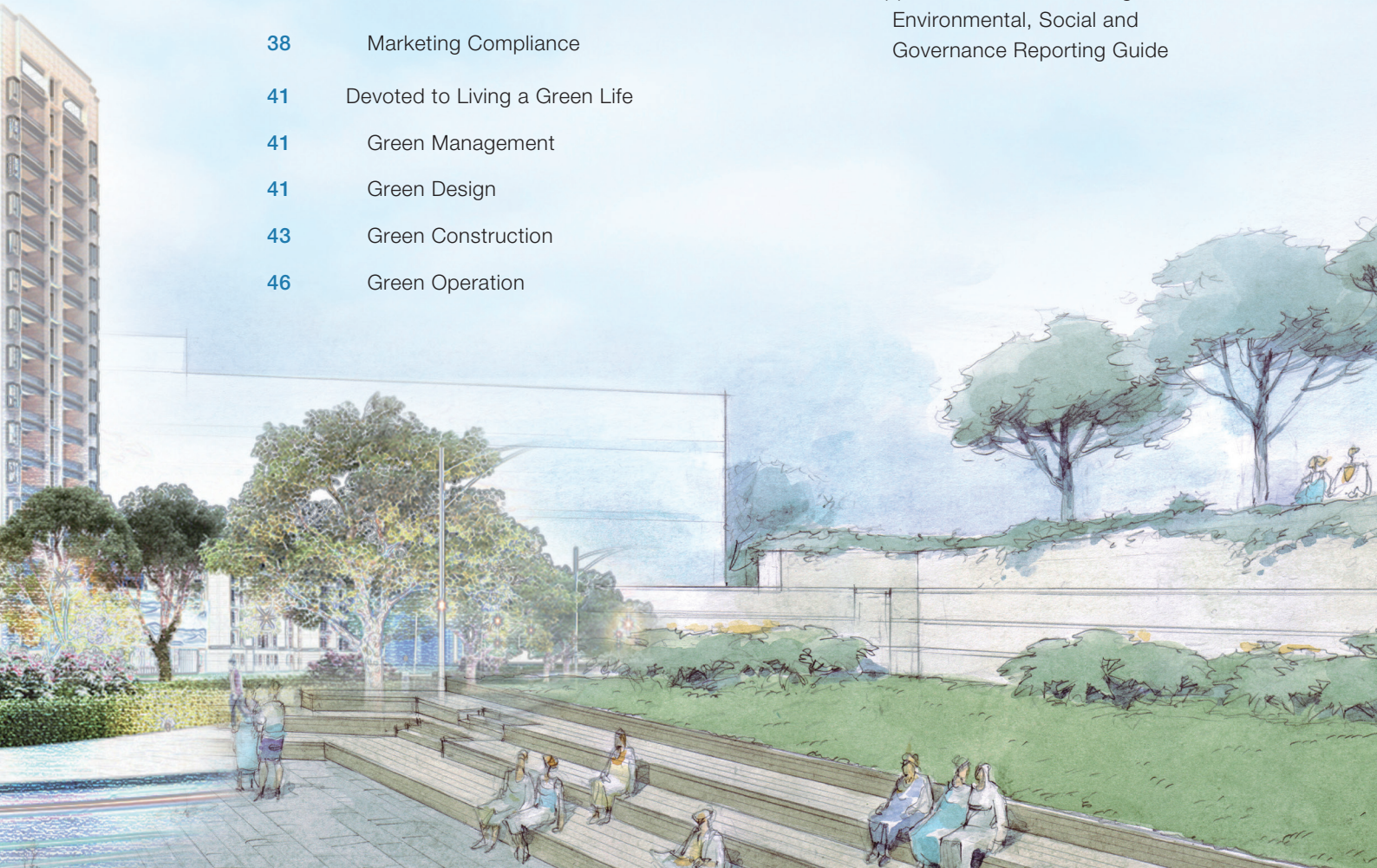
# 2020

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT  
環境、社會及管治報告



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# ABOUT THIS REPORT

## Overview

This report is the third Environmental, Social and Governance (hereinafter referred to as “**ESG**”) Report of DaFa Properties Group Limited (hereinafter referred to as “**DaFa Properties**” and the “**Company**”). This report discloses the Company’s performance on ESG from January 1 to December 31, 2020 (hereinafter referred to as the “**Reporting Period**”). Some information relates to prior years and the first quarter in 2021.

## Basis of Preparation

This report is prepared in accordance with the revised Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Stock Exchange**”). At the same time, the compilation process of this report also refers to *the Consultation Summary on the Review of the Environmental, Social And Governance Reporting Guidelines and Relevant Listing Rules* published by the Stock Exchange in December 2019. This report identifies and ranks important stakeholders and important ESG issues, determines the boundaries of the ESG report, collects relevant materials and data, prepares the report based on the data, and reviews the information in the report to determine the content of the report and ensure its integrity, substance, authenticity and balance.

## Reporting Boundaries and Scope

Policies, statements, materials, and data in this report cover the practice of the Company and its subsidiaries (hereinafter referred to as the “**Group**” or “**we**”). Monetary values in this report are in RMB unless otherwise stated.

## Data Source and Reliability Assurance

Information and cases included in this report are mainly from the Group’s statistical reports and relevant documents. We promise that this report does not contain any false or misleading statement and are responsible for the authenticity, accuracy, and completeness of its contents.

## Confirmation and Approval

Upon confirmation by the management, this report was approved by the Board of Directors on 30 June 2021.

## Access and Response to This Report

This report is available in Traditional Chinese and English. The electronic version of the report is available in the “Financial Statement/Environmental, Social and Governance Information” section of DaFa Properties on the HKEX website and on our website.

We attach great importance to the opinions of stakeholders and appreciate it if readers would contact us through the following methods. Your comments will help us further improve this report and our ESG performance.

E-mail: [ir@dafaland.com](mailto:ir@dafaland.com)

Mailing address: Room 2805-06, 28/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong

## CHAIRMAN'S STATEMENT

2020 was an eventful year. Internationally, the overall situation was complex and severe, coupled with global economic decline. Domestically, China was the only major economy in the world with positive economic growth, showing miraculous resilience. With the successive introduction of the “three red lines” financing rules for real estate companies and the tone of “houses are for living in, not for speculation” remaining unchanged, the industry’s growth rate has consistently stabilized. DaFa Properties also delivered outstanding performance of a steady growth in sales performance and continuously rising brand influence.

In 2020, under the guidance of the “1+1+X” strategy, DaFa Properties continued to focus on the Yangtze River Delta Region and Chengdu-Chongqing Metropolitan Area, where 83 projects were under operation, and continued to optimize the nationwide layout to develop high-quality urban clusters with strong economic foundations and development potential. To this end, we won high-quality land parcels in Nanjing, Wuxi, Wenzhou, Suzhou, Yangzhou, Ningbo, Wuhu, Changzhou, Nantong, etc., and made the foray into such western cities as Chengdu, Chongqing and Mianyang. While consolidating the economic foundation, we created a broad market space and sustainable development potential.

In terms of product and service improvement, we adhered to the product concept of “24 Blissful Living Community” to create high-quality products, continuously developed product IP, enabled fast project cycle, completed many excellent projects, and won more than a dozen industry awards in architecture, landscape, and interior design. We constantly strengthened service quality to provide high-quality services and create situational life scenarios throughout the life cycle through “Blissful Caring Service” and “Blissful Heartfelt Service”. We also launched the “Blissful Smart Life” service system to provide customers with smart service experience. At the same time, relying on the two major procurement platforms of New Hongqiao Procurement Alliance and China Urban Realty Association (CURA), we introduced a large number of excellent strategic suppliers to escort our path towards the operating goal of fast cycle.

In terms of team building, we vigorously stepped up the attraction and cultivation of talents, adhering to the principle of meritocracy, and endeavored to build a simple and direct corporate culture. We always protect the basic rights and interests of employees in order to achieve the empowerment of all employees and build a competitive talent echelon by strengthening employee welfare, care and training.

With the introduction of the national vision of “peak emission and carbon neutrality”, we gradually strengthened the management of carbon emissions and environmental pollution during our operations. Adhering to the green wisdom of “the harmonious coexistence of city, architecture, and nature”, we continued to rely on environmental protection technology research and development, design, construction and application to save resources, protect the environment, reduce pollution, and provide people with healthy, applicable and efficient space of use throughout the life cycle, so as to maximize the harmonious coexistence of man and nature.

While seeking high-quality and steady development, DaFa Properties integrated the spirit of charity into every aspect of brand development. Under the guidance of the charity values of “walking with kindness, sharing with love”, we continued to fulfill our social responsibility with practical actions. As of the end of the Reporting Period, our accumulative donations had exceeded RMB150 million, winning us many awards such as “2020 Innovative Enterprise Award for Social Responsibility”.

Looking into the future, DaFa Properties will continue to push ahead with the nationalization process, maintain excellent operational management capabilities and sustainable development model, and continuously improve product quality and customer satisfaction. Adhering to the original intention of “Design for Life”, we will take up the mission to improve the quality of the living environment and serve the society, consistently promote iterative upgrade of products with sustainable development as the core, implement energy conservation, emission reduction, and speed and efficiency enhancement, consolidate our comprehensive competitiveness, and make consistent efforts to create an ideal living environment.

# DAFA PROPERTIES, DEVOTED TO DESIGN FOR LIFE

As a responsible real estate corporate citizen, DaFa Properties always adheres to the business philosophy of “integrity, innovation, and pursuing excellence”, keeps in mind the original intention of “improving housing quality”, and actively undertakes the responsibility and mission of “building a better city life and improving the quality of living environment”, unrelentingly moving forward on the road of “Design for Life”.

## About DaFa

DaFa Properties Group Limited was established in 1996 and officially listed on the main board of the Stock Exchange in 2018 (stock code: 6111.HK). We are a property developer focusing on property development and property investment, committed to providing customers with high-quality properties and creating specific life scenarios.

## Corporate Culture

In the course of operation, the Group is guided by the three core corporate values of “Innovation”, “Creativity” and “Entrepreneurship” (I.C.E.). With meticulous operation and careful management, we actively integrate all resources, striving to become a Blissful Living Service Provider that provides situational experience and cost-effective products through operational excellence to meet customers’ needs for high-quality living.

During the Reporting Period, the Group demonstrated a good momentum for the overall acceleration of its development and efficiency. While maintaining high-quality performance growth, we always stuck to original aspiration, fulfilled social responsibilities, and continuously created greater value for all stakeholders.

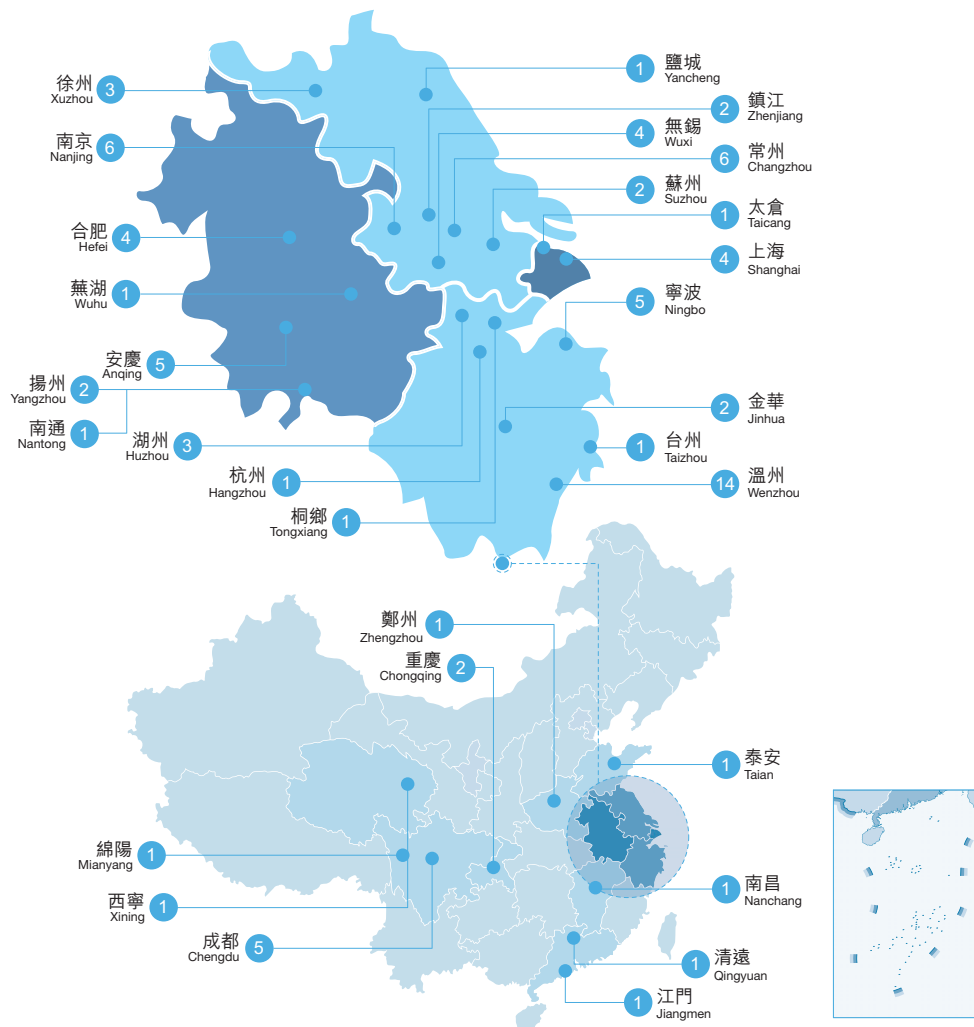


**I.C.E. – Core corporate values**

## Enterprise Development

Over 24 years of forging ahead, the Group has continued its development path of “in-depth regional exploration and active expansion”. In line with the “1+1+X” strategy<sup>1</sup>, DaFa Properties continuously tracks industry trends and combines its own development situation to strategically develop key cities with high development potential in the Chengdu-Chongqing Metropolitan Area and urban clusters in other countries, while adhering to in-depth exploration in the core area of the Yangtze River Delta Region.

As of now, the Group has constructed 83 projects in 30 cities including Shanghai, Nanjing, Hangzhou, Wenzhou, Suzhou, Wuxi, Nantong, Chongqing, Chengdu, Ningbo, Hefei, etc. With its excellent product quality and product portfolio, DaFa Properties has won the titles of “China Top 100 Real Estate Companies”, “China Top 100 Star-Rated Real Estate Companies”, “East China Top 10 Brand Value of Real Estate Companies”, and “Excellent Enterprise in Real Estate Operation with Chinese Characteristics – Situational Real Estate”, which has further consolidated its position in the industry.

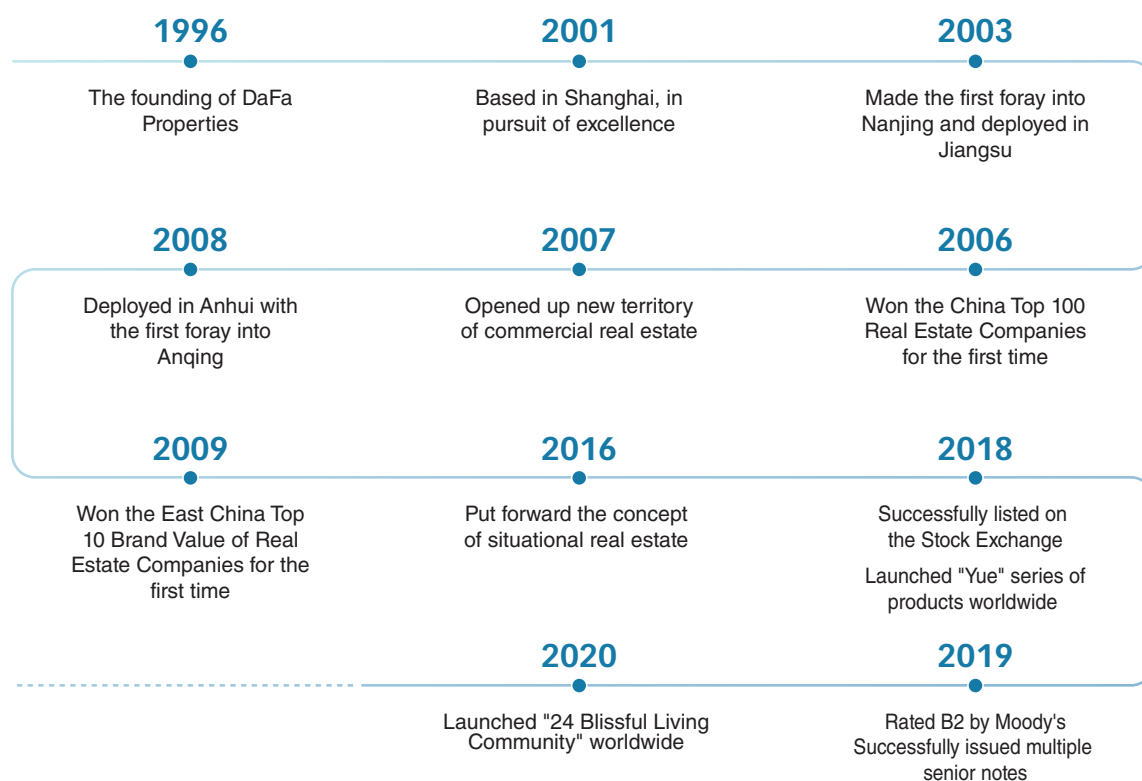


DaFa Properties Project Distribution Map<sup>2</sup>

<sup>1</sup> “1+1+X” strategy refers to the development orientation with “the core area of the Yangtze River Delta Region + the Chengdu-Chongqing Metropolitan Area + other development opportunities” as the core.

<sup>2</sup> Refer to the “Dafa Properties 2020 Annual Report” for the project distribution map.

## DAFA PROPERTIES, DEVOTED TO DESIGN FOR LIFE



### DaFa Properties Development History

#### Awards and Honors

During the Reporting Period, the Group received high recognition from all sectors of the society for its steady corporate operations, strict risk management and control system, close-knitted supply chain cooperation, forward-looking innovative concepts, and practical charity undertakings.

Award category	Awarding organization	Award name
Corporate governance	Organising Committee of China Property Award of Supreme Excellence	2020 China Property Award of Supreme Excellence
	Shanghai Enterprise Confederation, etc.	58 <sup>th</sup> in Top 100 Service Enterprises in Shanghai of 2020
	China Real Estate Association, etc.	2020 China Top 70 Overall Strength of Real Estate Listed Companies
	China Shopping Center Development Association of Mall China	2019 Shopping Center Industry Adjustment and Renovation Star Award
	House.china.com.cn	2020 China Real Estate Honor List of Brand Influential Enterprise
	House.china.com.cn	2019 China Real Estate Annual Honor List Steady Operation Award
	China Index Academy, etc.	China Real Estate Listed Companies ESG TOP 50 Best Practice Enterprise
	EH Consulting	2020 China Top 100 Listed Real Estate Enterprises
	EH Consulting	2020 China Top 10 Risk Control of Real Estate Listed Companies
	CRIC Research Center	2020 Top 72 China Real Estate Enterprises in Human Capital Value
	chinalou.cn, etc.	2020 First Listed Real Estate Strong Finance Grand Award of Tao Zhu Gong Award
	Guandian.cn	89 <sup>th</sup> in 2020 Top 100 Chinese Real Estate Companies
	National Business Daily	2020 Best Value Real Estate Listed Companies on China Real Estate Top List
	The Economic Observer, etc.	17 <sup>th</sup> Blue Chip Annual Conference “Blue Chip Enterprise” Award
	Hong Kong Economic Journal	Listed Company Awards of Excellence 2020
	Times Media, etc.	2020 Greatest Potential Award for China Real Estate of Times Top 100 China Real Estate Company
	21st Century Business Herald, etc.	2020 Excellent Investment Value Award for Listed Real Estate Companies of Golden Brick for Real Estate of China
	International Financial News	Best Innovative Brand
	Golden Hong Kong Stocks	2019 Most Valuable Real Estate Stocks Company of the Golden Hong Kong Stocks
	Leju.com	2020 China Listed Real Estate Enterprise with Highest Growth Potential
	Time Weekly	2020 China Real Estate Oscar List of the Era – China Overall Strength Investment Holding Enterprise Award
	Zhitong Finance, RoyalFlush Finance	Most Valuable Small and Mid-Cap Company on the Fifth Golden Hong Kong Stocks List

Award category	Awarding organization	Award name
<b>Business innovation</b>	Mall China	Mall China Golden Mall Awards 2020 Format Innovation Award
	China Real Estate News	2020 China Real Estate Innovation Enterprise Award of the Year
	IFENG.COM, PIT.IFENG.COM, IFENG Finance, IFENG Properties and China International Real Estate & Architectural Technology Fair	Top Ten Industry Innovation Model Enterprises
<b>Supply cooperation</b>	China Urban Realty Association, etc.	Standard Developer of Transparent Procurement
	Youcai platform under E-House	Jincai Award (Innovative Enterprises in Supply Chain Cooperation)
<b>Community engagement</b>	International Finance News of People's Daily	2020 Innovative Enterprise Award for Social Responsibility
	Leju Financial	China Top 10 Real Estate Brand Charity Cases of the Year
<b>Product design</b>	Italy IIDA AWARD	2020 Italy IIDA AWARD International Innovation Award
	2020 Eighth International Space Design Awards Organising Committee	Innovation Design Award of Eighth Golden-Creativity International Space Design Award
	Idea-Tops Organizing Committee	Exhibition Space Design Silver Award of the Tenth Space Design Award Idea-Tops Award Shanghai Region
	GBE Real Estate Design Award	Best Innovative Design Award of GBE Real Estate Design Award 2021
	www.REARDatChina.com REARD	REARD Global Design Award Bronze Award (Interior)
	www.REARDatChina.com REARD	REARD Global Design Outstanding Award (Architecture, Interior)
	Asia Property Awards	Highly Commended, Best Townhouse Architectural Design of Asia Property Awards
	Landscape Ingenuity Award	Annual Best Landscape Award for Mini Demonstration Area of Landscape Ingenuity Award
	China Building Decoration Association	2019-2020 Golden Award of the Year under sales space category of "Huading Awards" of China Building Decoration Association
	Kinpan Award	"Best Pre-sale Property" under General Category in Hangzhou Region and "Best Sales Space Award" (Space Category) in Zhejiang and Shanghai Region of Kinpan Award
	Meishang Award	2020-2021 Ultimate Architectural Aesthetics Honor Award of Meishang Award
	The Economic Observer	2020 High Quality Residential Model Project of 2020 Fine Space Grand Ceremony
	fang.58.com	2019 Quality Star Building

## Performance Highlights



- **0** corruption lawsuits
- Improved the whole-process anti-corruption control mechanism composed of **"ex-ante, in-process, and ex-post steps"**
- Communicated with more than **1,500** investors



- Renewed the product mix to include **four** lines of residential projects, creating a full-time, all-age **24H** "Blissful Living Community"
- Created innovative business formats for malls and won the **"Mall China Golden Mall Awards 2020 Format Innovation Award"**
- Prefabricated projects represented more than **75%** of the total development projects of the Group
- Sales service satisfaction **88%**, complaint handling rate **100%**
- Total investment in safety production of approximately **RMB48 million**, a total of **75** safety drills with **6,828** participants, and employee safety training with **100%** coverage rate
- **0** safety accidents and occupational hazards



- **All** projects met the energy-saving standards, with the energy-saving rate **65%**
- A total of **4** projects won the national two-star Green Building Design Label
- Applied the **"Sponge City"** technology to effectively improve the ability of buildings to cope with climate change
- Continuously strengthened the management of energy and water resources, reduced the energy consumption density by **9.1%** and the water consumption density by **17.4%**
- Continuously strengthened the management of non-hazardous waste, recycled on-hazardous waste, and reduced the emission density of nonhazardous waste by **53.3%**



- Staff training coverage rate **100%**
- Total number of staff training hours **114,561** hours, an increase of **28.6%** over last year;
- Average training time per capita **111** hours, an increase of **30.6%** over last year
- Staff physical examination coverage rate **100%**
- Won the **"2020 Top 72 China Real Estate Enterprises in Human Capital Value"**



- Established cooperative relations with **4,583** suppliers
- Participated in **2** integrity alliances and **2** procurement alliances



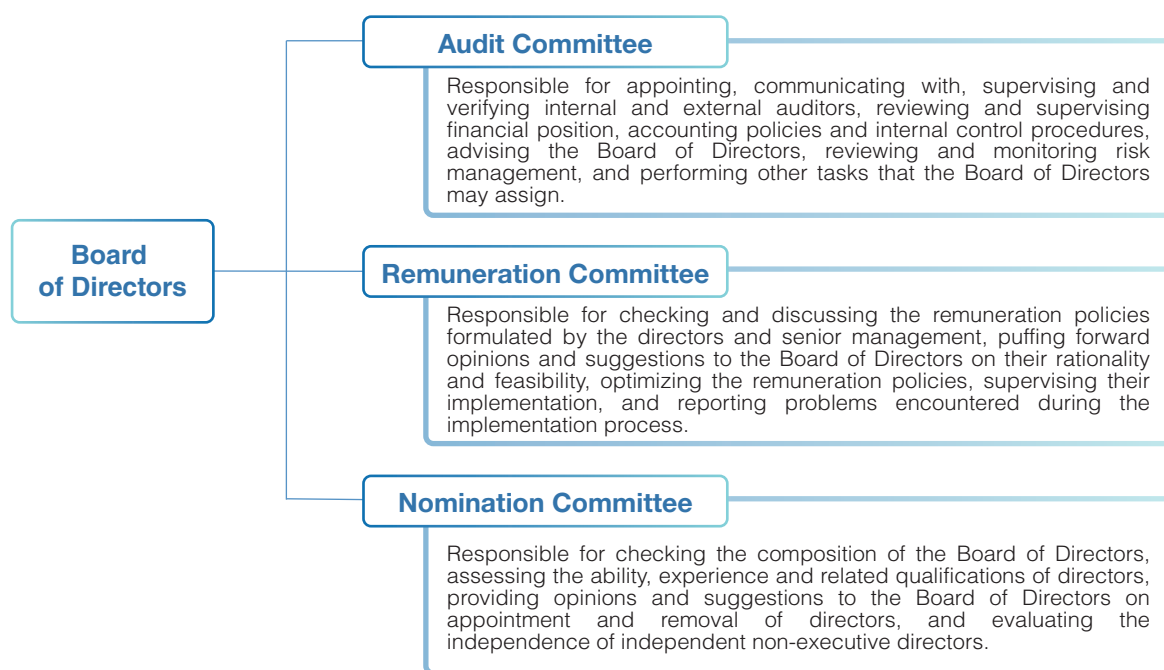
- During the Reporting Period, launched the **DaFa Charity Foundation**
- Continued to promote charity in education, community care, etc., won the title of **"2020 Innovative Enterprise for Social Responsibility"**
- Invested **RMB10** million to set up a special fund for "Fighting the Epidemic", donated a total of **280,000** medical masks, **5,580** medical protective suits, **150,000** medical gloves, **50** monitors and **100** ventilators

# DEVOTED TO FULFILLING RESPONSIBILITIES

While actively expanding its business layout, DaFa Properties has always adhered to and pursued a higher level of corporate governance, cultivated a corporate culture of integrity and development, and created a transparent and dynamic business environment. At the same time, we always keep in mind our social responsibilities, pay attention to environmental, social and governance (ESG) performance, and continuously create greater value for all stakeholders.

## Responsible Governance

We strictly abide by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other laws and regulations, as well as the relevant requirements of the Corporate Governance Code contained in Appendix 14 to the Listing Rules. We have established a scientific governance structure led by the Board of Directors with clear division of powers and responsibilities and each party performing its duties, and are committed to continuously promoting corporate value appreciation and transparent management, and creating a complete, transparent and healthy corporate governance environment. The Board of Directors is composed of four executive directors and three independent non-executive directors, responsible for the decision-making, management and supervision of production and operation. Under the Board of Directors, there are Audit Committee, Remuneration Committee and Nomination Committee, which are responsible for overall governance, supervision and regular review of the Company to ensure timely, comprehensive and effective decision-making.



### DaFa Properties Corporate Governance Structure

(For more information, please refer to the Corporate Governance Report in the Group's 2020 Annual Report.)

## Risk Control

We strictly abide by the *Audit Law of the People's Republic of China*, the *Regulations for the Implementation of the Audit Law of the People's Republic of China*, the *National Auditing Standards of the People's Republic of China* and relevant laws and regulations. We have established and improved internal control policies such as the *Opinions on Disciplining Employees for Violating Corporate Rules*, covering all aspects of corporate governance, risk management, business operations, legal affairs and finance, auditing, etc. to standardize the behavior of employees in daily operations. We have also established an Audit Management Department led by the Board of Directors, supplemented by open employee reporting channels to ensure that information is circulated and responded to in time in the policies implementation process, thereby promoting a virtuous cycle from policy formulation, implementation to optimization. In addition, we have appointed legal counsels with relevant qualifications to provide a basis for supervision and governance, and regularly train our directors, management team and employees.

## Integrity and Honesty

On the basis of strictly abiding by laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Law of the People's Republic of China on Anti-Money Laundering*, and the *Interim Provisions on the Prohibition of Commercial Bribery*, we have internally formulated normative documents such as the *Reporting System*, *Employee Code of Integrity and Self-Discipline*, and *Integrity Inspection System*. Moreover, we sign the *Integrity Agreement* with new employees to continuously strengthen the integrity management of the Group and prevent the occurrence of illegal acts such as bribery, extortion, fraud, and money laundering.

We implement the whole-process anti-corruption control composed of ex-ante, in-process and ex-post steps, conduct traceability review and analysis of fraud and corruption clues found in the business operation across the Group, and take targeted precautions to achieve prevention, control and handling across the chain and throughout the cycle. During the Reporting Period, the Group did not have any corruption lawsuits.



### Ex-ante precautionary control

- Integrity system construction
- Complete reporting channels
- Integrity promotion and agreement
- External information sharing

### In-process process control

- Regular inspections: Process monitoring and on-site inspections for each project
- Integration of supervision and audit: Conduct special audit of costs, resolutely investigate and punish illegal operations, corruption and bribery



### Ex-post handling and decision making

- Accountability: The Audit Management Department submits suggestions to the management for handling and decision-making. In case of violation of laws and regulations, would transfer the case to the judiciary.

## Whole-process anti-corruption control system

DEVOTED TO FULFILLING RESPONSIBILITIES

**Reporting and Complaining Mechanism**

In order to implement the principle of integrity and honesty, we have clarified the reporting procedures and handling methods for corruption in the *Reporting System*, set up multiple channels for complaining, supervision, and reporting to encourage employees to supervise the Group’s business activities and support employees to report the behavior that violates the requirement of integrity in business activities to the Audit Management Department or the Board of Directors of the Group. We strictly protect the confidentiality of the whistleblower, protect the legitimate rights and interests of the whistleblower, and ensure that the whistleblower is not treated unfairly because of the reporting behavior.



Address: Audit Management Department,  
Building 2, Lane 1188, Shenhong Road,  
Minhang District, Shanghai, China

WeChat QR code:



Reporting Channels

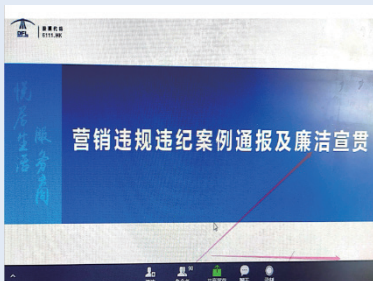
### Integrity Culture Construction

On the basis of complete system construction, we are well aware that establishing the awareness of integrity of each employee is the key to creating a transparent and honest working environment. Therefore, we attach great importance to the construction of a culture of integrity in our daily work, regularly carry out relevant training for employees, and are committed to integrating integrity and honesty into the corporate culture.

#### Promotion and Implementation of Compliance and Integrity

During the Reporting Period, we carried out face-to-face, one-on-one integrity promotion and various related trainings for employees based on the nature and content of each employee's work, in order to deepen the employees' recognition of compliance and integrity:

1. Carried out compliance and integrity training for regional general managers to help trainees learn from the previous year's audit cases, reflect on and improve the annual audit work based on the business characteristics of each regional office;
2. Carried out integrity and compliance training for new recruits;
3. Held an integrity promotion session for the Group's marketing lines and the core management of various regional offices, covering 90 people;
4. Carried out an integrity and compliance training for some key position holders of companies in the Shanghai Area, covering 55 people.



Integrity Promotion Materials

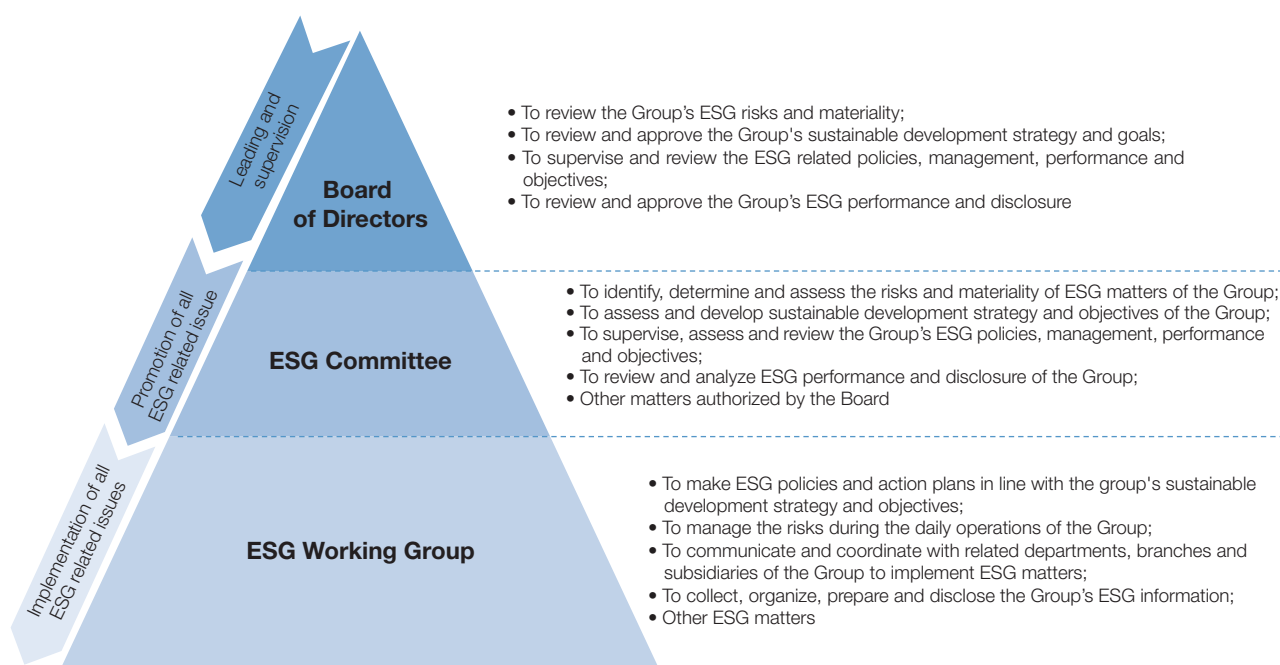
## DEVOTED TO FULFILLING RESPONSIBILITIES

### ESG Management

The Group always firmly believes that bravely and actively assuming responsibilities in ESG is the basic prerequisite for the long-term development of the Company, and also an important condition for fulfilling the corporate mission of “improving the quality of living environment and upgrading life for the better”. Therefore, the Group continuously improves the ESG management framework, clarifies the division of powers and responsibilities at all levels, implements ESG management requirements in every link, and improves the ESG management level with a responsible attitude and determination.

### ESG Governance Structure

In order to further strengthen ESG governance, we have initially established a three-level governance structure<sup>3</sup> centered on the Board of Directors, the ESG Committee and the ESG Working Group to promote the level-by-level transmission and implementation of ESG concepts, raise ESG management levels, and achieve scientific and systematic ESG management. Among them, the Board of Directors is the highest decision-making body of ESG governance, responsible for leading and supervising ESG governance related matters. the ESG Committee is the core department, which is authorized by the Board to improve ESG management level. The ESG Working Group is composed of environment, society and governance team. As a coordinating and implementation body under the structure, the ESG Working Group is responsible to practice all ESG related matters.



**ESG governance structure of DaFa Properties**

### Communication with Stakeholder

We have established a regular and diversified two-way communication mechanism for stakeholders, under which profound and extensive communication and exchanges with stakeholders are conducted through different channels to timely understand the demands and expectations of all parties and respond effectively to help the Group achieve long-term sustainable development.

<sup>3</sup> The structure came into effect in the fiscal year 2021

The stakeholders we have identified include customers/proprietors, contractors, government agencies, shareholders/investors, employees, suppliers, and communities. The following table lists the issues of concern of different stakeholders during the Reporting Period and the corresponding communication channels.

Stakeholder	Issue of Concern	Way of Communication
<b>Customer/ Proprietor</b>	Product quality control Product R & D innovation Compliance marketing Customer service Protection of Customer Privacy	Customer/market research and sales communication Notifications before delivery Site Open Day Post-delivery housing maintenance Customer satisfaction survey Customer communication activities “YUE +” service platform DaFa Properties customer service center
<b>Contractor</b>	Product quality control Safety management Project impacts on ecological environment	Routine exchanges on design changes, construction, etc.
<b>Government</b>	Compliance operation Pollution reduction and environmental protection Employment opportunities and local economy	Meetings and discussions Establishment of rules and exchanges on implementation
<b>Shareholder/ Investor</b>	Compliance Economic performance	Shareholders Meeting Investor Summit Results announcement Roadshow Email, conference call and meeting Media and news
<b>Employee</b>	Employee training and development Fair promotion and protection of employee rights Employee health and safety	Chairman’s mailbox WeChat public platforms and groups “Fasheng” platform “Complaints Pool” system
<b>Supplier</b>	Anti-corruption and fair operation Supply chain management	Transparent procurement Qualification review Supplier training and annual commendation conference Supply and demand docking meeting Supplier Innovation Exhibition Supplier Brand Review Meeting WeChat tendering and procurement platforms
<b>Community</b>	Employment opportunities and local economy Charity and volunteer service Project environmental impact	Charity events Activities to promote community development

## DEVOTED TO FULFILLING RESPONSIBILITIES

### Responding to the concerns of investors and protecting their rights and interests

We attach great importance to the concerns and requirements of shareholders/investors and have established an omni-channel communication platform from online to offline to facilitate investors to obtain information, raise opinions, and obtain timely and comprehensive feedback.



- Investors can keep abreast of the Group's information, financial performance, monthly reports on changes in securities and other important information through the annual report released via the Stock Exchange, the annual results, announcements and circulars regularly released on the official website.



- Through the media center module of the official website, investors can obtain brief and vivid news alerts, and more easily and intuitively understand the dynamics of DaFa Properties at any time, which covers information that is closely related to daily business operations and strategic decisions.



- Investors can communicate with us through offline channels such as press conferences, roadshows, investment seminars, and project site visits. They can also visit DaFa Properties' offices around the country directly or contact us by phone or email.

During the Reporting Period, we actively carried out all-round and high-frequency communication with investors through the above channels, which further narrowed the distance with investors and achieved good results.

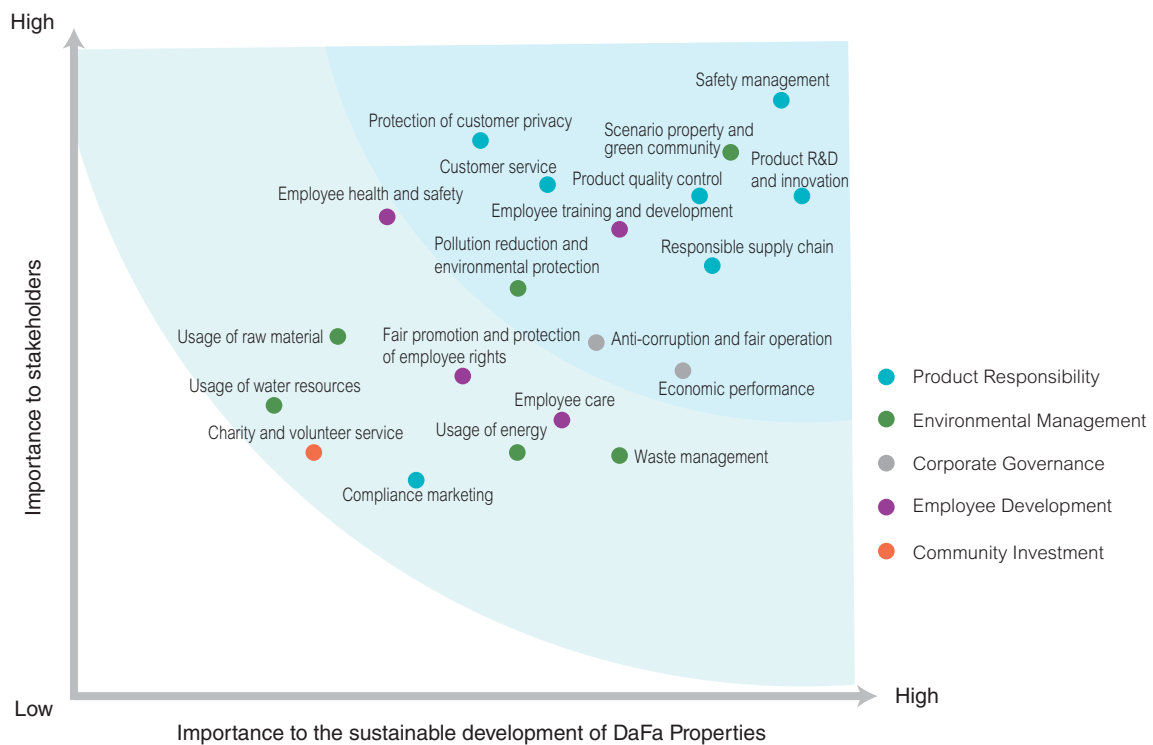
- Held an 2020 interim results conference and an annual results conference;
- Participated in more than **30** investor summits (online and offline);
- Participated in more than **50** non-deal roadshows (online and offline);
- Held more than **50** meetings and telephone conversations with credit and stock analysts;
- Exchanged more than **1,500** emails, phone calls and meetings with investors;
- Updated more than **30** corporate business newsletters and press releases;
- Accepted media interviews and cooperated to produce more than **100** reports.

### Materiality Analysis

During the Reporting Period, we conducted nearly 10 on-site interviews with stakeholders to understand the requirements and suggestions of all parties on the ESG aspects of the Group. We comprehensively considered the impact of each material issue, and adjusted and updated the ESG material issues of the previous year in order to further address the concerns of internal and external stakeholders:

- 1) In order to comply with business characteristics, we split the product quality and safety issue into 2 issues of safety management and product quality control, and added 2 issues of product development and innovation and marketing compliance.
- 2) We found that stakeholders had increased attention to the five issues of employee health and safety, product quality control, waste management, energy use, and charity and voluntary services.

During the Reporting Period, we identified a total of 20 material issues in terms of environment, society and governance, including 11 highly important issues and 9 moderately important issues. The details of the issues are disclosed in each chapter of this report.



**DaFa Properties Material Issues Matrix**

## DEVOTED TO FULFILLING RESPONSIBILITIES

No.	Category	Issue	No.	Category	Issue
1	Product Responsibility	<b>Safety management</b>	11	Environmental Management	Waste management
2		<b>Product quality control</b>	12		Usage of raw material
3		<b>Customer service</b>	13		<b>Pollution reduction and environmental protection</b>
4		<b>Protection of customer privacy</b>	14	Corporate Governance	<b>Economic performance</b>
5		<b>Responsible supply chain</b>	15		<b>Anti-corruption and fair operation</b>
6		<b>Product R&amp;D and innovation</b>	16	Employee Development	Employee health and safety
7		Compliance marketing	17		<b>Employee training and development</b>
8	Environmental Management	<b>Scenario property and green community</b>	18		Fair promotion and protection of employee rights
9		Usage of energy	19	Community Investment	Employee care
10		Usage of water resources	20		Charity and volunteer service

Note: In the table, issues in bold are of high materiality.

# DEVOTED TO INNOVATION

DaFa Properties carries forward the brand concept of “Design for Life” and devotes itself to improving products and services. Through product innovation and R&D, quality and safety assurance, sincere and considerate service, and compliant marketing management, we comprehensively upgrade our products and service systems, renew the quality of life, and contribute to a better future.

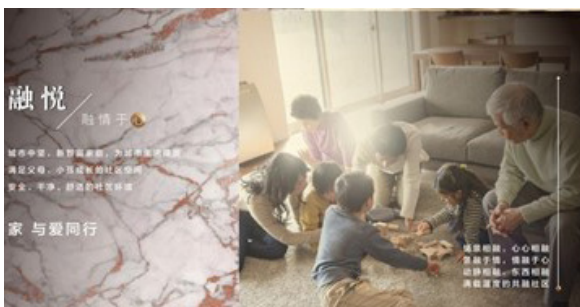
## Product R&D

Adhering to the business philosophy of “Integrity, Innovation, and Pursuing Excellence”, the Group is determined to make progress and innovate continuously. Through the development of high-end projects, the Group builds high-quality real estate, and has established a good reputation and high-quality brand image among customers.

We always insist on using the most cutting-edge design technology and the most intimate design concept to create a comfortable living space for our customers. We have adopted 11 major design management systems for various professions, including the *Guide Book for the Standardized Control of Project Whole-Process Architectural Design*, *Design and Management of General Layout Plans for Maximum Profit*, and *Design Management Operation Guidelines* to strictly regulate design processes and standards, so as to create quality research and development results. During the Reporting Period, we further optimized the Group’s R&D system, optimized the *Standardized Quality Control Process for Demonstration Areas* (On-site Implementation Part), and standardized the management and control process of each functional department in demonstration area design.

## Product Innovation

Adhering to the strategic positioning of “Blissful Living Service Provider”, we continuously devote ourselves to creating superior and comfortable living space with enthusiasm, committed to updating life for the better with Chinese characteristics. During the Reporting Period, we integrated the notions of time, space and emotion into our products, and created four new product lines of “Puyue, Xiyue, Rongyue, and Mingyue”.



Four New Product Lines

## DEVOTED TO INNOVATION

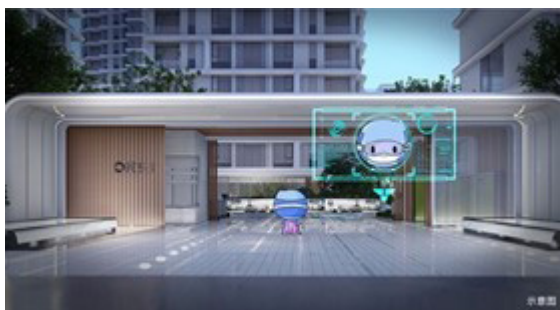
We continued to optimize the whole system design by upgrading the “8 Blissful Situational Systems” to the “4 Blissful Living Systems” and creating a full-time and all-age 24-hour “Blissful Living Community” comprising 24H happy gathering club – community living system, 24-solar terms energy ring – community health system, 24℃ home of love – family time system, and 24K golden housekeeping – community intelligent service.



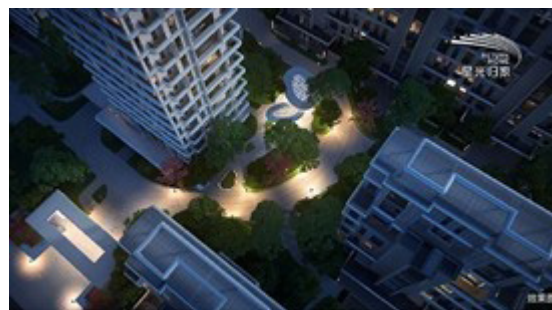
24H Happy Gathering Club



24-solar terms Energy Ring



24K Golden Housekeeping



24℃ Home of Love

We constantly optimize product innovation capabilities, and create new standards for assembly technology by continuously stepping up prefabricated architecture design.

#### Prefabricated architecture

The development of prefabricated buildings is one of the important means to promote the transformation and upgrading of the construction industry. The proposals to the “14th Five-Year Plan” in many places clearly state the need to promote the modernization of the construction industry, the development of prefabricated buildings, and the coordinated development of intelligent construction and construction industrialization. In this regard, DaFa Properties has always insisted on promoting the transformation and upgrading of the construction industry, and has continuously doubled down on the development of industrialized prefabricated buildings. As of now, the prefabricated projects have represented more than 75% of the total development projects of the Group.

During the Reporting Period, we continued to play a leading role in the industry and completed the *PC<sup>4</sup> Building Structure 1.0* based on systematic investigation and research. This research not only provided the best implementation plan for PC projects in 11 key cities in the Yangtze River Delta Region from the perspective of precise guidance for investment and land acquisition, but also established a technical red line for typical PC component categories from the perspective of refined design and construction guidance. It also formulated the *Key Points in PC Design Review*, which basically solved the technical problems in PC construction we are facing at the current stage.

## DEVOTED TO INNOVATION

During the Reporting Period, DaFa Properties won multiple design awards by virtue of its strong innovation strength, suggesting that the industry highly recognized and affirmed the impressive achievements of its innovative development.

Design awards won by DaFa Properties during the Reporting Period	
Awardees	Award name
DaFa Properties	2020 China Real Estate Innovation Enterprise Award of the Year
Jinhua Yongkang Bliss Bay Project	REARD Global Design Award Bronze Award
Xuzhou Shen Wang Tianchen Project	REARD Global Design Award Bronze Award
Jiangmen Guoyuefu Sales Space	2020 Italy IIDA AWARD for International Innovation Exhibition Space Design Silver Award of the Tenth Space Design Award Idea-Tops Award Shanghai Region ID+G Golden Creativity Award International Space Design Competition – Special Award for Real Estate Sales/International Innovation Design
Ningnan Guojing Mansion Project	2019–2020 Golden Award of the Year under sales space category of “Huading Awards” of China Building Decoration Association China International Design Fair “Huading Award” – Gold in Space Category of China Building Decoration Association
Zhoushan Bliss Xinjie Residence Project	Best Innovative Design Award of GBE Real Estate Design Award
Wenzhou Chen Yang Li Project	Meishang Award-Living Environment Category- Ultimate Architectural Aesthetics Honor Award
Xining DaFa Xiyue Project	REARD Global Design Award – Masterpiece PropertyGuru Asia Property Award – Best Boutique Home Architectural Design PropertyGuru Asia Property Award – Highly Commended, Best Townhouse Architectural Design
Wuzhen Xiyue Huayuan Project	Annual Best Landscape Award for Mini Demonstration Area of Landscape Ingenuity Award
Hangzhou Liangzhu Qinlan Project	“Best Pre-sale Property” under General Category in Hangzhou Region and “Best Sales Space Award” (Space Category) in Zhejiang and Shanghai Region of Kinpan Award
Wuxi Puyue Binhuwang Project	2020 High Quality Residential Model Project of 2020 Fine Space Grand Ceremony

### Intellectual property

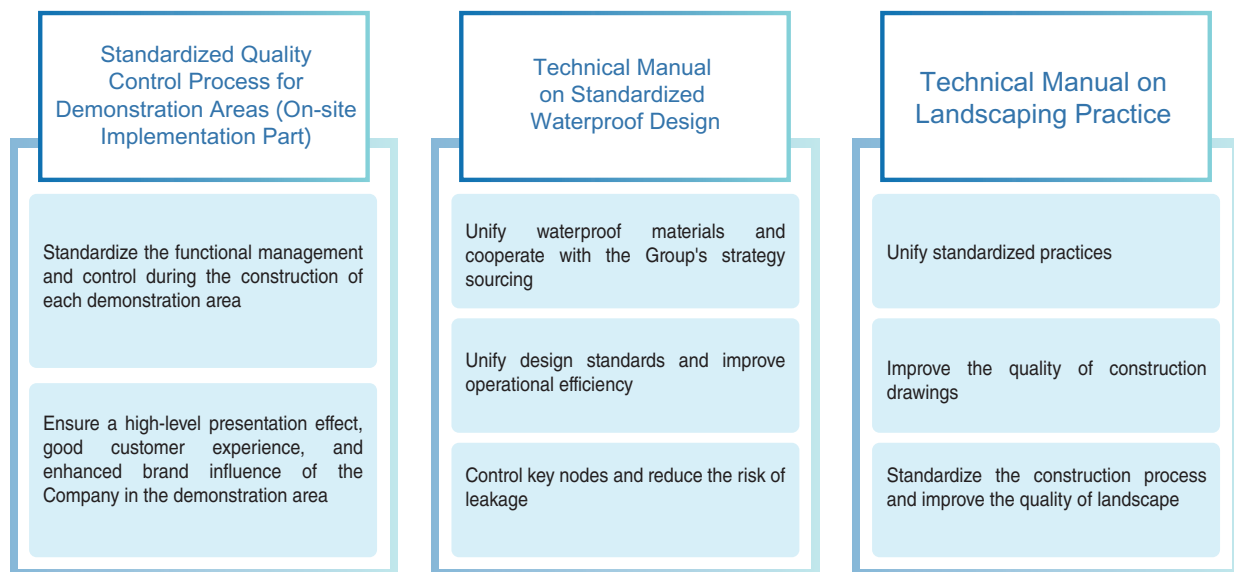
In the process of continuous product upgrades and brand innovation, DaFa Properties always pays attention to protecting its own intellectual property rights and ensuring that it does not infringe the intellectual property rights of others. We strictly abide by the *Intellectual Property Law of the People's Republic of China* and apply for intellectual property rights in strict accordance with relevant requirements. We obtained 2 trademarks during the Reporting Period, and currently hold 19 trademarks; no litigation related to intellectual property rights occurred during the Reporting Period.

### Quality and Safety

DaFa Properties always pursues high-quality products and safe operations. Through strict quality control, we provide our customers with quality living space. Besides, we create a safe and healthy living environment through a complete safety management system, and provide all proprietors with situational experience and cost-effective “Blissful Living” products.

### Quality Control

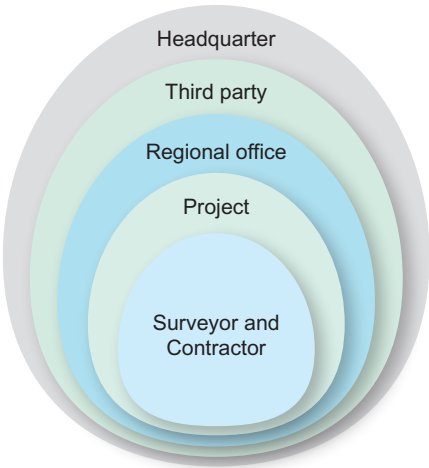
We strictly abide by the *Product Quality Law of the People's Republic of China*, the *Urban Real Estate Management Law of the People's Republic of China* and other laws and regulations, and have established a complete project quality management system. Through continuous improvement of various quality management measures, we create a “Blissful Living Quality” of life. During the Reporting Period, we further optimized a series of quality control systems to comprehensively improve the quality of the project in terms of design, construction, and technology.



### Optimizing the Quality Management System

**Quality Management System**

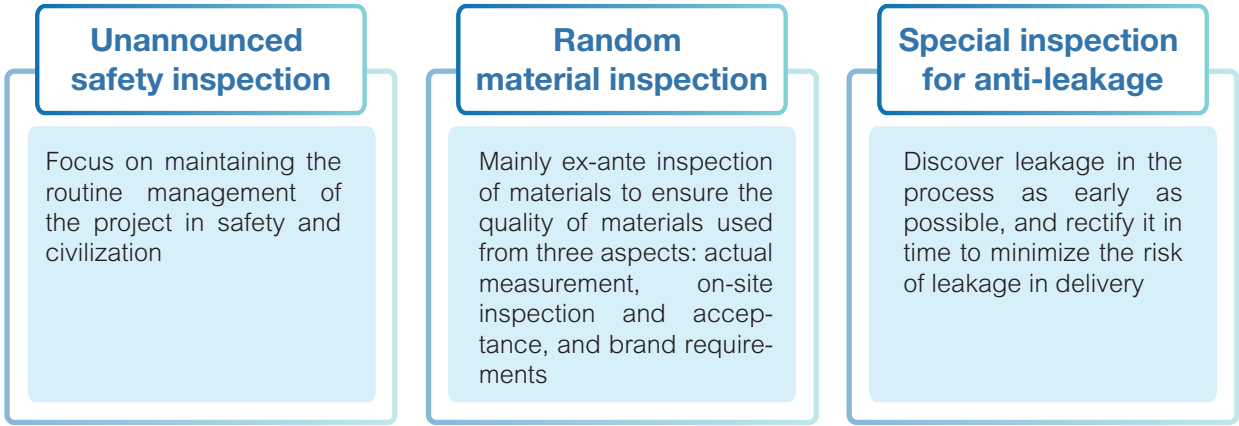
The Group fully carries forward the quality management system of “three-level structure and five-level inspection”. Under the three-level safety and quality management structure of headquarter-regional office-project, the Group ensures the product quality of each project through the “five-level inspection” covering the entire project cycle. We also implement multi-level and multi-system quality management by linking product quality indicators with individual performance and assigning quality management performance targets to specific individuals and regional offices.



**Five-level inspection**

During the Reporting Period, we continued to improve the quality inspection system and conducted four quality and safety inspections. After each inspection, a quality summary meeting was held. All personnel from regional engineering platforms and projects participated in the meeting to analyze and report data based on the inspection. Targeted suggestions were put forward for improvement of each inspected project, and the rectification was required to pass the review within the specified time.

In order to ensure the quality of the construction process of the project, we have also introduced a third-party quality assessment throughout the project cycle to carry out quality supervision of the project from the perspective of process assessment, delivery assessment, and various special assessments. During the Reporting Period, we added unannounced Group-wide safety inspections, random inspections of materials, and special inspections for anti-leakage during the construction of the project:



**Added Inspection Items during the Reporting Period**

In order to ensure the quality of project delivery, we strengthen quality inspections and various special delivery inspections at the delivery stage. During the Reporting Period, we optimized the delivery evaluation system and added landscape-specific evaluation on the basis of the delivery evaluation system to fill in the gaps in the management and control of the landscape process and improve the effect of landscape formation, thereby lifting the final delivery quality of the landscape and further reinforcing the quality assurance of overall project delivery.

### Quality Awareness Improvement

In order to improve quality management capabilities and quality control awareness, we have carried out a variety of quality training activities. During the Reporting Period, we held a total of 10 management system trainings and 19 special technical trainings, covering multiple professions such as landscape, electromechanical, hardpack, and materials, and carried out 3 assessments on the Group's systems and industry quality standards. The trained and appraised personnel included engineering personnel, project managers, engineers and Sailing Stars, achieving full coverage of project-related personnel.

### Safety management

As a life service provider with "improving the quality of living environment as the ideal", we regard the provision of safe and trusted services for customers, merchants and residents as the basic guarantee of our products and services. It is also the basic requirement we put forward to ourselves. During the Reporting Period, we invested a total of approximately RMB48 million in safety production, carried out 75 safety drills with 6,828 participants, and achieved employee safety training coverage of 100%; no safety accidents and occupational hazards occurred.

### Construction safety

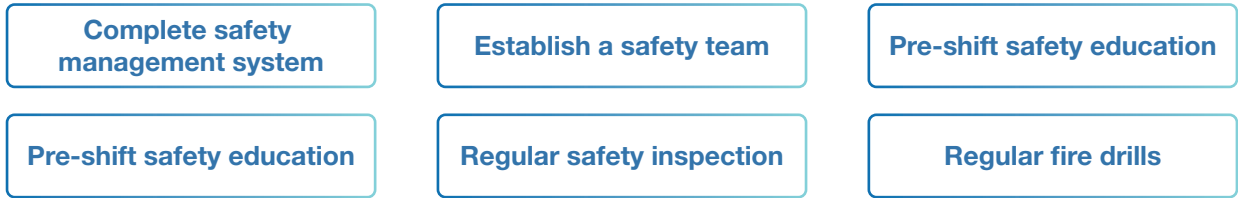
The Group always attaches great importance to safety management in the process of project construction, and guarantees the safety of project construction through various safety inspection measures. We have formulated safety inspection requirements at different levels of the Headquarter, regional office, and project, and carried out special inspections for some key safety issues.



**Safety Inspection System**

**DEVOTED TO INNOVATION**

In order to fully guarantee the safety during the construction of the project, we have also put forward corresponding safety management requirements for the contractor to improve the safety management level of each cooperation unit. In addition, DaFa Properties’ own “three-level structure and five-level inspection” has covered all construction contractors and material suppliers.



**Safety Management Requirements for Contractors**

***Operational safety***

The Group pays attention to the operational safety of malls, and always strictly implements internally formulated safety management systems, including *Mall Management System*, *Merchant Safety Management System* and *Warehouse Safety Management System* to fully protect the safety of merchants and customers. In order to ensure the safe operation of the mall, we set up a safety production team and a fire safety officer, clarify the fire safety responsibilities of all employees, sign a safety responsibility letter with all employees, and link all employees’ performance with safety performance. Once a safety accident occurs, a one-vote veto system is implemented.

In order to eliminate potential safety hazards, we have carried out a number of measures to fully guarantee operational safety:

**Intensify safety inspections, and set up an inspection system that combines 9 fixed-time inspections and flexible inspections within 24 Hours.**

**Implement monthly fire safety inspections, implement rectification of hidden dangers, and prevent safety accidents.**

**Improve the performance standards and increase the service items of various positions.**

**Establish a training mechanism to improve team standards through irregular training. During the Reporting Period, we organized a total of 128 on-site operation management training sessions, with 1,350 participants**

**Improve emergency response capabilities, conduct monthly emergency equipment inspections and various emergency response drills for sudden safety incidents, and conduct two evacuation drills every year.**

#### Measures for Operational Safety



#### Emergency equipment inspection and emergency drill

## DEVOTED TO INNOVATION

During the epidemic, we actively responded to the government's call to temporarily close the malls to avoid the risk of epidemic spread caused by gathering of people. After resuming work and production in accordance with relevant requirements, we also carried out relevant prevention and control in order to protect the health and safety of our customers. Through the following measures, we ensured that the two shopping malls were free from improper epidemic prevention incidents:

**Mall-wide disinfection  
before opening and after  
closing everyday**

**Daily statistics  
of employees'  
health status**

**Reduced entrances  
and exits, strengthened  
inspection of equipment  
and personnel  
at entrances and  
exits in use**

**Set up an emergency  
isolation room at the  
entrance to quarantine  
customers with  
abnormal body  
temperature or abnormal  
travel QR code**

**Disinfected public  
areas in malls 3–4 times  
a day, increased  
frequency  
of the disinfection  
of elevators,  
toilets, etc.**

**Set up special garbage  
recycling bins for  
anti-epidemic supplies  
to specifically dispose  
of discarded  
masks and other items**

**Suspended approval of  
merchants' large-scale  
promotional activities,  
restricted foot traffic  
to catering  
merchants in  
accordance with the  
principle of spaced  
seating for dining**

**Established an  
emergency contact  
channel with the  
community grid  
administrator and  
the epidemic  
prevention office,  
in order to promptly  
deal with abnormalities  
once found**

### Measures for Epidemic Protection



### Rigorous Daily Disinfection

## Wholehearted Service

Over the past 24 years, DaFa Properties has always adhered to the brand concept of “Design for Life” and the orientation of customer service, providing customers with Blissful Living, and is committed to providing each owner with quality, warm, and speedy services for a better life.

## Residential service

The Group conducts the design and operation of life scenarios based on user thinking, and integrates situational experience into multiple fields such as residence and work in the new era, so as to promote the communication, interaction and emotional connection between people and space. During the Reporting Period, by creating situational life scenarios, we established “Blissful Caring Service” for customers at the purchase stage and “Blissful Heartfelt Service” for customers at the residence stage, thereby enhancing people’s happiness.

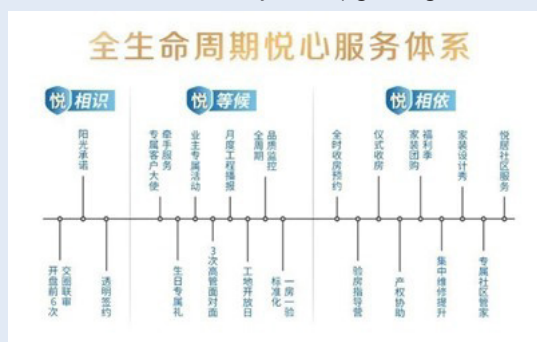
### Blissful Caring Service System

We used 2,316 etiquette trainings, studies of more than 1,000 policies, and 24 years of dedication to make “professional” the business card of every employee of DaFa Properties. At the purchase stage, we give customers a warm and comfortable pre-sales experience, including 15-degree smiling service, 3-minute timely supply, friendly one-to-one communication, and 24-hour professional companion, just for customers’ peace of mind and resting assured. Through the creation of “5-sense (hearing, touch, sight, taste, and smell) sales office”, etc., we create a natural and comfortable space for visiting customers.

### Blissful Heartfelt Service System

The Blissful Heartfelt Service System creates a full-life-cycle service experience for customers through the omni-dimensional model of “Blissful Meeting, Blissful Waiting, and Blissful Companionship”:

- “Blissful Convenience • Platform” realizes with ease the functions of rapid reporting and intelligent house inspection;
- “Blissful Care • Service” guards the owners 24 hours a day;
- “Blissful Reassurance • Standard” ensures full-cycle multi-functional quality supervision;
- “Blissful Comfort • Community” provides warm companionship for all ages, letting owners and family members feel warm and cozy and upgrading life for the better because of our devotion.



## DEVOTED TO INNOVATION

During the Reporting Period, we launched “Blissful Smart Life”- five smart living service systems to create comprehensive smart services covering five sectors: “Smart Travel, Smart Security, Smart Health, Smart Community Service, and Smart Home”, and improved customer service quality from five aspects: “experience, safety, health, convenience, and comfort”. While providing intimate services to customers, we enhanced their smart life experience, and created a smart living environment for residents.

### 「悦智生活」— 智慧社區

#### 五大智慧生活服務體系（體驗+、安全+、健康+、便捷+、舒適+）

##### 智慧出行

##### 智域安防

##### 智感健康

##### 智享社區服務

##### 智聯家居

智慧人行	智慧車行	梯控 / 戶內呼梯	訪客預約	智慧道路照明	出行關懷	七重安防體系	智能慧眼	智慧停車管理	室外一鍵求助報警	智慧巡更	智慧噴灌 / 噴霧	智慧蚊控系統	智慧垃圾分類回收	智能健康亭	社區自助健身房	智能跑道	智能影音互動	智慧社區平台	互動信息發佈	網絡移動信號覆蓋	智能投遞 / 自助販賣	智能充電	智慧能耗計量	自助洗車	室外環境監測	智慧標誌標牌	背景音樂系統	智能電器	情景模塊	設備控制模塊	安防模塊	人性化模塊	家庭娛樂模塊	微智能模塊
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**“Blissful Smart Life”- five smart life service systems**  
(services in red boxes are delivered by our property management system)

### Customer communication

We build a good communication environment for customers, increase customer experience, and create a communication space between us and customers, between customers and customers, so as to forge a harmonious community relationship while providing quality services.

#### “One Meter Vegetable Garden” Activity for Proprietors

DaFa Properties integrates pastoral life into Blissful Living Community by launching the “One Meter Vegetable Garden” activity, which provides proprietors with a space to experience the fun of farming, and provides an “energy field” for every parent-child bonding moment. As one of the components of the 24H Happy Gathering Club, “One Meter Vegetable Garden” integrates Blissful Heartfelt Service into community life. While creating a Blissful lifestyle, it creates a neighborhood-based social circle and a better Blissful Living Community.



One Meter Vegetable Garden

## DEVOTED TO INNOVATION

We constantly optimize the channels of communication with customer. In order to provide customers with more efficient and convenient services, we have put forward the service concept of “one-stop house purchase service platform”:

### “YUE+” Service Platform

During the Reporting Period, we launched the “YUE+” applet as a one-stop house purchase service platform. The platform includes six main features: real estate information display, activities, games, content sharing, realtor recommendation, and channel AI business cards. As of now, DaFa Properties has put 100% projects and 100% activities online, which has significantly improved the efficiency and quality of customer service.



#### Preferred house resources

Selected hot real estate  
More reliable official presentation



#### Preferential benefits

Exclusive online discount  
Multiple user privileges



#### Quality service

Online + offline house selection  
Fast and caring service



#### Generous perks

Online membership  
More benefits in the future after joining the system

During the Reporting Period, the public account of DaFa Properties Customer Service Center, our first service platform for owners, was officially launched. On the platform, every proprietor can enjoy more convenient home services, participate in various proprietor activities, obtain timely information of the Company, and learn about the latest community trends.

### Response to Customer Complaint

In order to continuously improve the quality of service, we always listen to the voices of customers. We constantly optimize customer feedback channels and continuously collect customer opinions and appeals through channels such as 400 hotline, web pages, and WeChat official account. The 400 hotline provides manual service 24 hours a day, 365 days a year to ensure a full response to inquiries, reports, complaints and suggestions and bring timely and thoughtful service experience to proprietors. At present, DaFa Properties’ convenient channels can ensure objective recording and tracking of matters and truthful feedback on the handling progress. While capturing customer demands efficiently and conveniently, we dynamically communicate the progress to customers in real time, providing customers with a good interactive experience.

### Customer Complaint Channels

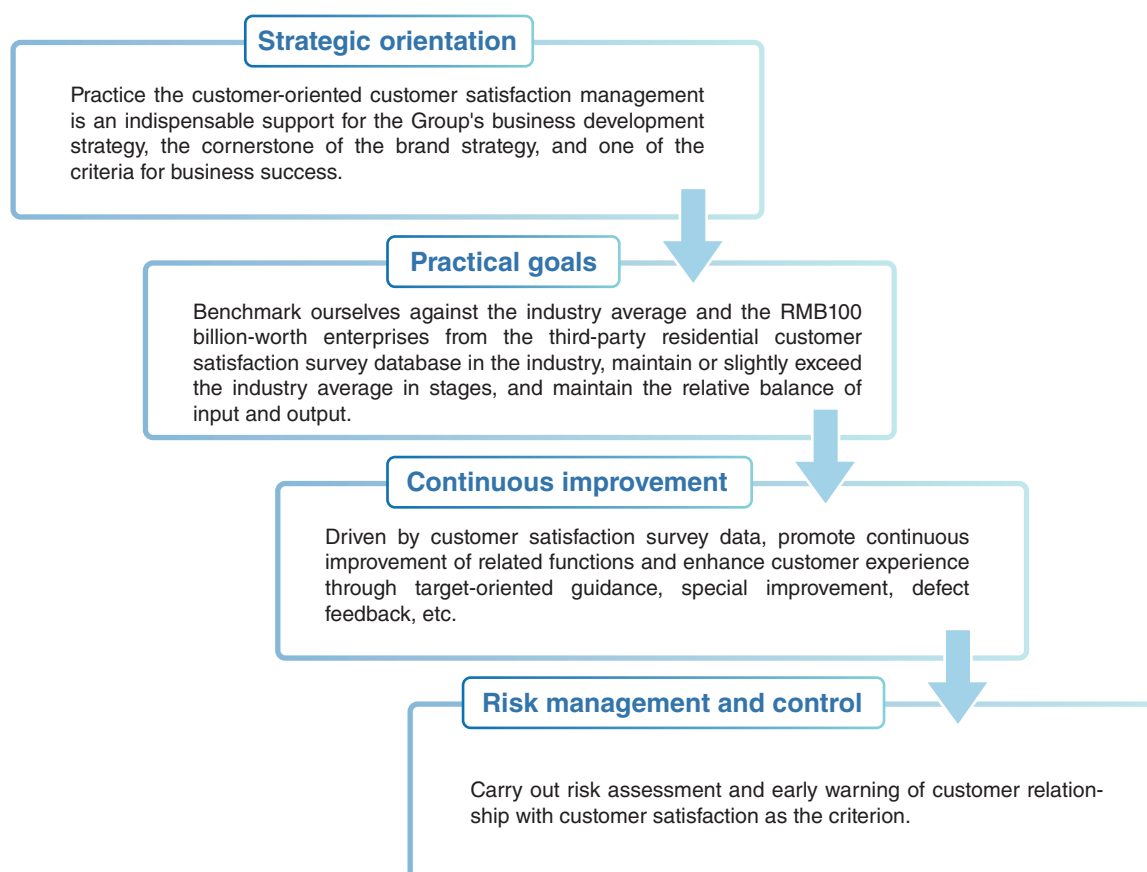
Customer Service Hotline: 400-188-6111

WeChat public account: DaFa Properties Customer Service Center

During the Reporting Period, we received a total of 900 complaints, all of which were accepted with satisfactory response to customers. During the Reporting Period, the complaint handling rate reached 100%.

### Proprietor satisfaction

DaFa Properties always pays attention to customers' feelings and evaluations. During the Reporting Period, in order to optimize sales services, we established and released an on-the-spot standardized service system, and through the formulation of the *Project Sales Questionnaire*, we collected customer's opinions and feedback to improve service quality. In addition, we clarified the customer satisfaction management indicators of the Group and each region, standardized management responsibilities, promoted customer service awareness, addressed product and service issues that caused customer dissatisfaction, and achieved steady enhancement of customer satisfaction with DaFa Properties.



### Principles for Improving Customer Satisfaction

During the Reporting Period, we conducted customer satisfaction surveys. The surveys covered all DaFa Properties' proprietors in four stages: prospective proprietors, proprietors in the run-in stage, proprietors in the stable stage, and veteran proprietors. We followed up on multiple dimensions such as sales service, delivery service, house quality, maintenance service, etc. to make return calls. During the Reporting Period, DaFa Properties' sales service satisfaction was 88%, overall satisfaction increased by 8% compared with previous years, indicating a steady increase.

## DEVOTED TO INNOVATION

During the Reporting Period, through the continuous improvement of quality and service, customer satisfaction gradually improved. Many of the Group's property projects were recognized by multiple real estate platforms, and won awards such as popular properties and most watched properties.



**2020 Ingenious and Exquisite Real Estate – Wuxi Xiyue Binhuwan**

**Wuxi Anjuke**



**2020 Most Watched Real Estate – Wuxi Puyue Binhuwang**

**Wuxi Anjuke**



**2020 Popular and Outstanding Real Estate – Changzhou Puyue Manchén**

**Fang.com**



**2020-2021 Popular Internet Celebrity Real Estate – Changzhou Puyue Manchén**

**Sohu Focus**



**2020 China Quality Real Estate • Huzhou – Huzhou Rongyue Four Seasons**

**Leju.com**



**2020 China Quality Real Estate • Shanghai Rim – Wuzhen Xiyue Huayuan**

**Leju.com**



**2020 Jinpan Award “Best Sales Space” in Space Category of Zhejiang and Shanghai Division – Hangzhou Liangzhu Demonstration Area**

**Kinpan.com**

### Commercial services

While providing customers with high-quality residential services, DaFa Properties continuously steps up the service quality of malls. At present, DaFa Properties' malls in Shanghai and Nanjing provide customers with a variety of consumption scenarios and lifestyles with their respective characteristics.



Shanghai IST Mall has established a harmonious ecosystem between the residential environment and the business circle through the reasonable matching and application of four levels of consumption scenes (leisure, shopping, social, and experience), presenting a shopping environment and lifestyle center that arouses aesthetic reverie and enhances pleasure of shoppers.



Nanjing IST Mall advocates a youthful and fashionable lifestyle, aiming to bring new life experiences to Nanjing's fashionistas. Through the introduction of a number of internationally renowned brands, it pulls together to rewrite the shopping and consumption culture for the young people in Nanjing.

In the face of the Covid-19 outbreak in 2020, we actively responded to it. While ensuring the basic interests of merchants, we carried out a wealth of commercial activities to help the economy recover.

### ***Commercial tenant service***

In order to help merchants tide over the difficulties and give full play to corporate social responsibility during the epidemic, we carried out a number of assistance activities to ensure that merchants navigated the difficult period smoothly:



**Assisting policies for commercial tenants**

### Consumer service

In order to meet consumers' increasing diversified consumption needs, we have innovated in business formats. We actively respond to the government's new consumer action plan by launching a wealth of commercial activities to create promotional space for more brands and enrich the consumer life of citizens in the post-epidemic era.

#### Nanjing IST Mall Energy Market

Nanjing IST Mall Energy Market was launched on 25 June, 2020 and the Market set up 40 groups of booths with more than 150 brands participating. By taking the form of a market as a carrier, we add interactive entertainment facilities, gather diversified content such as Internet celebrity food, cultural and creative fashion products, charity, sports, etc. to accelerate the dissemination of culture and promote the prosperity and development of the night economy. Since the launch, it has received much attention from various media and accumulated nearly 2 million views of live streaming. The Nanjing IST Mall Energy Market in 2020 also received social recognition and won the "Mall China Golden Mall Awards 2020 Format Innovation Award".



## DEVOTED TO INNOVATION

We continuously optimize consumer services in malls, and collect feedback and improve service quality through regular consumer satisfaction surveys. During the Reporting Period, we organized an online customer questionnaire survey and obtained 524 valid questionnaires. The surveyed customers were mainly young customers aged 18–30. The survey was carried out mainly from four dimensions: service environment, facilities and equipment, business types, and planning activities. The problems found in the survey and main improvement plans are as follows:

**High aging and failure rates in equipment and facilities such as escalators**

**Increase the proportion of retail trendy brands and experience formats in the format mix to cater to the shopping needs of young consumer groups**

**Introduce a variety of catering brands and cuisines, intensify business format publicity, and enrich activities**

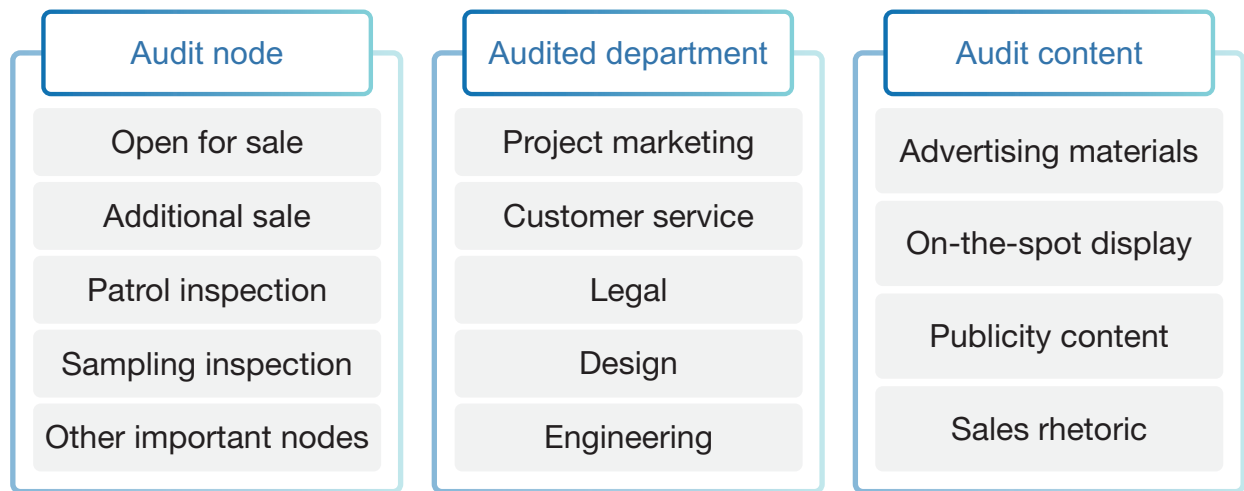
## Marketing Compliance

DaFa Properties strictly abides by the *Advertising Law of the People's Republic of China*, *Property Law of People's Republic of China*, *Law of the People's Republic of China on Protection of Consumer Rights and Interests*, *Personal Information Protection Law of the People's Republic of China* and other policies and regulations, and always prohibits false propaganda and deceit of consumers, but comprehensively protects customer privacy.

## Marketing management

Through the formulation of *DaFa Properties Archived Marketing Materials Management System*, we implement three-level management and review (Group – Regional Office – Project) on the use of marketing materials to strictly control the content of materials and ensure their compliance.

During the Reporting Period, we revised the *Administrative Measures on the Use of Channels* to further improve the relevant regulations concerning marketing activities, and in particular put forward higher requirements for online marketing and the use of various digital systems.



#### Marketing Materials Review

In order to ensure sales compliance, the Group organizes sales inspections on a quarterly basis. An individual project receives four rounds of inspection a year. The inspection covers sales rhetoric, customer development rhetoric, customer management, etc. The inspection results will be notified in time, and a deadline is set for rectification.

We have developed a strict training and assessment system for marketing personnel to fully guarantee compliance publicity in the marketing process and provide customers with safe and comfortable services. Before taking up the job, marketing personnel receive training on integrity and the Group's systems and sign the *Integrity Agreement* as required. In order to ensure the effective delivery of training content, we organize all marketing staff to take online exams on a monthly basis. The question bank is updated by 15% every month. Marketing personnel who fail the exam twice will be debriefed at the Group level, which alerts marketing staff to professional ethics and compliant marketing activities.



Marketing Training



Monthly Marketing Test

**Customer information protection**

We attach great importance to the protection of customer information. By formulating *DaFa Properties Archived Marketing Materials Management System*, we implement strict confidentiality management of customer information to avoid the loss of customer information caused by random export. During the Reporting Period, the Group did not have any customer information breach incident.

The customer information ledger is stored in a designated folder of the CNC computer for encrypted management.

Access privileges are limited to core personnel, and projects and regional offices cannot export the customer's complete phone number.

One needs to file offline and apply online to use customer information.

If customer information is leaked due to improper management, the marketing manager shall be held directly responsible.

**Measures for Customer Information Protection**

## DEVOTED TO LIVING A GREEN LIFE

DaFa Properties has always advocated environment-friendly and resource-saving development, pursuing the trinity of people, architecture and environment for harmony and beauty. To this end, DaFa Properties continuously improves its environmental management mechanism, comprehensively improves its environmental management capabilities and performance, and fulfills its due responsibilities as a corporate citizen for building a beautiful China.

### Green Management

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise*, the *Law of the People's Republic of China on Appraising of Environment Impacts*, *Regulations on the Administration of Construction Project Environmental Protection*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, 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 Prevention and Control of Water Pollution* and other laws and regulations.

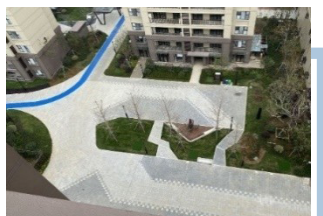
The Group has formulated a series of internal policies to minimize the negative impact on the environment and natural resources in every link of design, construction, and operation, evaluates the environmental impact of projects under construction in accordance with relevant national regulations, and carries out project construction in strict accordance with the requirements of environmental assessment approval. During the Reporting Period, the environmental assessment compliance rate of the Group's new projects was 100%, and there were no violations of environmental laws and regulations with the Group.

### Green Design

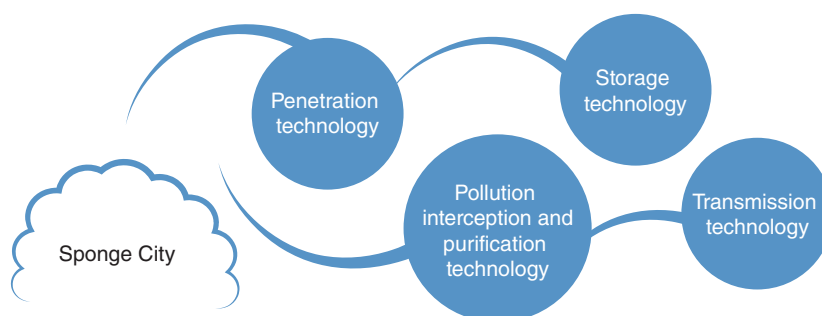
The Group adheres to the design concept of organic integration of architecture and environmental protection, strictly controls green building standards during the design process, adapts measures to local conditions, and adopts reasonable technical solutions to minimize adverse effects on the environment. We have integrated green building technology into the sponge city to improve the city's ability to conserve water and resist floods, and used new technologies to build renewable energy systems such as solar and air source heat pumps to improve the green performance of buildings.

### Climate Change Response

During the Reporting Period, we took into account climate change factors such as typhoons and floods in the project design, and adopted the special sponge city design as prevention and response. As a new generation of urban rain/flood management concepts, sponge cities have good resilience in adapting to environmental changes and responding to natural disasters caused by rainwater. In the process of sponge city design and construction, we incorporate a series of green building technologies with "DaFa" characteristics in the construction of such facilities as permeable pavement, biological retention facilities, energy dissipation pools, sinking green spaces, reservoirs, and grass covering ditches. These technologies can significantly reduce the heat island effect of the building complex, avoid urban water-logging disasters under extreme weather, and effectively respond to climate change.



Permeation Technology -  
PC Permeable Brick



### Sponge City Technology Application

## Green Technology

We actively promote and apply green technologies in various projects and advocate energy conservation. In the project design stage, we increase the design value requirements of indicators such as the rate of land greening, the utilization rate of renewable materials, and the energy saving rate of buildings, so that the architectural design can meet the national green building standards, so as to create a more harmonious and comfortable sustainable living environment.

During the Reporting Period, 100% of our projects met the energy-saving standards, and the architectural design complied with the current national and provincial energy-saving standards for buildings with the energy-saving rate of 65%.

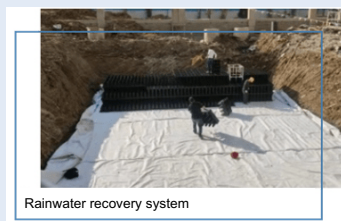
### Application of Green Technology in Project Design



The building itself is based on energy-saving materials, using insulated aluminum alloy door and window profiles and hollow glass windows. Some projects use low-e glass. The architectural modeling elements are simple; the integrated construction technology is adopted; a moderate number of decorative components are used to save resources.



The project design uses green technology to build a renewable energy system, and uses solar hot water supply systems and air source water heaters to provide energy. Among them, the proportion of daily hot water from solar heating is more than 50%.



We reasonably plan ground and roof rainwater runoff pathways, and set up rainwater collection and reuse systems to control the drainage of rainwater and reduce water consumption. The rainwater collection area shall not be less than 1/3 of the planned land area. The collected rainwater is technically treated and then reused for daily greening and sprinkling, road cleaning, etc.

During the Reporting Period, relying on the industry-leading technology level, we combined the project characteristics and customer needs to build four green building projects – Changzhou Yueya Huayuan, Yancheng Sheyang DaFa Rongyue East Residence, Pizhou DaFa Rongyue East, and Wuxi Xinwu Puyue Yayuan – all of which won the national two-star Green Building Label for their green, energy-saving, and self-circulating architectural design.



Two-star green building label certificates obtained during the Reporting Period

#### Green Building Case: DaFa Rongyue East Project in Pizhou City



In accordance with the people-oriented, ecology-based design concept with sustainable development as the driving force, we used a variety of environmentally friendly materials and technologies in the Pizhou DaFa Rongyue East project. The roofing and floor slabs were made of insulated extruded polystyrene board, the outer wall made of composite expanded vitrified micro-bubble insulation board, and the unit partition walls and staircase partition walls made of gypsum-based inorganic internally insulated mortar. The movable external sunshade-integrated exterior window system was used, supplemented with external solar-based hot water supply system, etc., which reduced the energy consumption and emissions of the project during the construction process and after it was put into use, while taking into account the livability and economy of buildings in the project.

#### Green Construction

In order to implement the concept of sustainable development and reduce the negative external effects of production and construction on the environment and ecology, the Group has formulated and implemented the *Requirements for Green Building Construction Management*, which proceeds from various aspects such as energy conservation and emission reduction, water resources management and pollution emission management to implement green construction in all aspects of project construction. During the Reporting Period, our green construction measures achieved good results and responses. Among them, the Wuxi Puyue Binhu Wang project, which was built during the Reporting Period, was awarded the “2021 Honor Roll of Construction Sites in Xinwu District” for its outstanding green construction performance.

### ***Energy and water resource management***

The effective use of water resources and energy is not only a requirement for economic benefits, but also an important task for implementing green construction. Therefore, we have adopted a series of energy-saving and water-saving measures.

In terms of energy conservation, we advocate the use of energy-saving materials and equipment, and eliminate the use of high-energy-consuming vehicles or diesel generators during the construction process; encourage construction workers to go to work by bicycle or public transportation to reduce carbon emissions; take measures to reduce the consumption of steel bars and pre-mixed concrete; formulate construction energy-saving plans, detect and record relevant data, and continuously optimize energy-saving measures.

In terms of water saving, we optimize the water use plan during construction and adopt water-saving and water-free construction techniques. For example, the pipeline strength test in public works uses air pressure instead of water pressure to reduce the use of water in pressure test of circulating water pipelines; the hydraulic pressure test of equipment and pipelines reuses water multiple times; the on-site vehicle washing water is provided with a circular water device; the non-drinking water is from non-traditional water sources such as reclaimed water and rainwater to save water consumption and avoid waste in daily construction.



**Circulating water device for vehicle washing**

### ***Pollution discharge management***

We strictly follow relevant standards, adopt a set of management measures, set relevant construction standards, and effectively manage waste, dust particles, wastewater and noise pollution generated on the construction site.

In terms of waste management, we formulate and implement construction waste reduction and resource utilization plans to meet the requirement for a recyclable construction waste recovery rate of not less than 80%. Additionally, we carry out refined management to ensure the correct classification and collection and safe storage of construction waste. We set a temporary waste storage yard at the construction site, and require that the waste generated during the construction process be sorted and stacked in the corresponding storage yard in time for subsequent disposal and reuse; moreover, fences, cofferdams, and other protective facilities as well as eye-catching signs are set up at the waste storage yard.

### Dafa Properties Waste Management Initiatives

#### Construction waste

For crushed stone, earth-rock construction waste, try to use foundation landfilling, paving, etc. to increase the recycling rate; for those that cannot be reused, sort out hazardous wastes and treat them separately.

#### Hazardous waste

We strictly abide by relevant regulations by conducting special sorting and collection of hazardous waste and entrusting qualified units for transportation and disposal.

#### Expired and discarded canned liquid substances

In accordance with relevant regulations, such substances are further sorted and disposed of as solid waste.

#### Domestic garbage

Closed garbage containers are set up in the living area of the construction site, and the domestic garbage is sorted, bagged, cleaned and transported regularly on time.



Garbage sorting yard

## DEVOTED TO LIVING A GREEN LIFE

In terms of dust and particulate matter management and control, we adopt dust reduction measures such as water spraying, covering, and shielding to improve material management, waste removal and monitoring and other links. By meeting the following construction standards, we can effectively control the impact of fugitive dust and particulate matter on the surrounding environment.

### Dust and Particulate Matter Control Standards

- Ensure 100% bare soil coverage in non-construction areas during construction;
- The enclosure rate of construction site is 100%;
- Ensure 100% road hardening rate on site;
- Ensure the wet operation rate is 100% for demolition site (non-blasting demolition) and construction waste loading;
- Ensure 100% wheel washing rate of engineering vehicles leaving the site; and
- Ensure the greening rate of temporarily non-construction areas is 100%.

In terms of wastewater discharge, we increase the recycling rate of wastewater through process improvements, and strictly abide by relevant regulations for strict three-stage precipitation to ensure that the water is discharged after reaching the standard and to avoid water pollution.

In terms of noise management, we give priority to the selection of construction equipment with lower noise levels, carry out real-time noise measurement and recording at construction sites, and adopt effective noise reduction measures to prevent serious disturbance to the people and meet the current national standards.

## Green Operation

The Group is committed to create a green, complete and advanced development and operation scene. We earnestly implement the principle of green operation in mall operations and daily office work, practicing environmental protection with practical actions.

### Green Malls

IST malls adopt a series of energy-saving and emission-reduction measures in the operation process to reduce carbon footprint and energy consumption. In the mean-time, taking into account the concerns and interests of surrounding communities we adopt corresponding measures from three aspects: pollution emission management, noise management and light pollution management to reduce the adverse effects of mall operations on surrounding residents and the environment and strive to achieve benign, safe and environmentally friendly operations.

#### Pollution discharge management:

- In accordance with national requirements and government instructions, implement garbage sorting and its publicity with rigor, carry out special inspections by dedicated personnel;
- It is stipulated that all catering merchants use a safe oil fume purification system, clean it regularly, and perform regular testing to ensure that the emission meets the standard;
- Ensure that kitchen waste and domestic waste are cleared daily to avoid storage producing odor that will damage the environment and threaten the health of residents;
- It is stipulated that grease traps and septic tanks are cleaned regularly to avoid overflowing and odor generation.

#### Energy management:

- Catering merchants are required to give priority to natural gas as an energy source for their daily operations to reduce carbon emissions from electricity consumption;
- Merchants are required to preferentially choose to connect to the public water circulating air-conditioning system to increase the energy efficiency of air-conditioning and reduce the waste of energy consumption caused by the use of independent air-conditioning;
- Merchants are required to submit the environmental protection levels of materials for review, and use LED light sources as much as possible.

#### Noise management:

Facilities such as domestic garbage room and construction garbage room are all set up in the basement, so that the residents are not disturbed by the noise due to clearing and transportation.

#### Light pollution management:

It is stipulated that the external lighting that affects the residents be turned off at eight o'clock in the evening, so that no bright light will disturb the residents.

#### Green operation measures of IST malls



Waste Sorting at IST Malls

DEVOTED TO LIVING A GREEN LIFE

Green office

In order to cultivate a corporate culture that attaches great importance to green management in an all-round way and practice the business philosophy of green operation in all directions, we are committed to promoting the concept of environmental protection and energy saving in our daily office work, carrying out a variety of promotional activities, and formulating and continuously improving green office rules.

In addition to the daily promotion of sustainable development culture and the posting of energy saving and emission reduction signs, we implement the concept of green office in daily office energy use, water resources management and waste management.



DaFa Properties Green Office Initiatives

During the Reporting Period, our environmental performance was as follows:

Indicator	Unit	Daily office	Malls <sup>5</sup>	Construction in progress
<b>Energy consumption<sup>6</sup></b>				
<b>Direct energy</b>				
Liquefied petroleum gas	Standard cubic meter	/	/	324
Diesel	Liter	/	/	140,017
Gasoline	Liter	33,230	4,500	2,201,450
Natural gas	Cubic meter	16,344	237,251	108,341
<b>Indirect energy</b>				
Purchased electricity	kWh	1,896,120	15,379,260	37,388,593
<b>Greenhouse gas emissions<sup>7</sup></b>				
Scope I: Direct greenhouse gas emissions	Carbon dioxide equivalent (ton)	109	523	5,462
Scope II: Indirect greenhouse gas emissions	Carbon dioxide equivalent (ton)	1,334	10,819	25,545
<b>Water resources</b>				
Water consumption	Ton	15,000	138,427	2,569,329
<b>Non hazardous waste emissions<sup>8</sup></b>				
Food waste	Ton	15	1,321	1,262
Construction waste	Ton	/	300	42,179
General waste	Ton	30	372	2,095
Office papers	Ton	18	/	/

<sup>5</sup> The collection scope for environmental data of malls covered both tenants and non-tenants.

<sup>6</sup> The energy consumption indicators database of the Group contained the data of the headquarters of DaFa Properties, projects under construction, and commercial real estate projects in operation.

<sup>7</sup> The calculation of greenhouse gas emissions referred to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Other Industrial Enterprises (Trial)* issued by the National Development and Reform Commission of the People's Republic of China.

<sup>8</sup> In 2020, DaFa Properties further adopted refined management of waste by adding a new category of office paper. Office paper was mainly produced in daily office processes. Other wastes without specific classification were uniformly counted as general wastes, which were generated in daily offices, malls, and construction in progress.

## DEVOTED TO LIVING A GREEN LIFE

The Group's 2019–2020 environmental performance<sup>9</sup> is compared as follows:

Indicator	Unit	2019	2020
Comprehensive energy consumption <sup>10</sup>	Ton of standard coal	5,291	9,761
Comprehensive energy consumption intensity	Ton of standard coal/ square meter	0.0018	0.0016
Total greenhouse gas emissions	Ton of carbon dioxide equivalent	19,561	43,792
Greenhouse gas emission intensity	Ton of carbon dioxide equivalent/square meter	0.0065	0.0072
Total water consumption	Ton	1,624,491	2,722,756
Water consumption intensity	Ton/square meter	0.54	0.44
Non-hazardous waste emission	Ton	50,193	47,592
Non-hazardous waste emission intensity	Ton/square meter	0.0166	0.0078

<sup>9</sup> Due to the continuous expansion of the Company's scale, 83 projects were involved in 2020, an increase of 41 compared to 2019. 12 of the 24 new projects in 2019 were acquired in the second half of the year whose construction started in 2020. Therefore, there was a significant increase in environmental data this year.

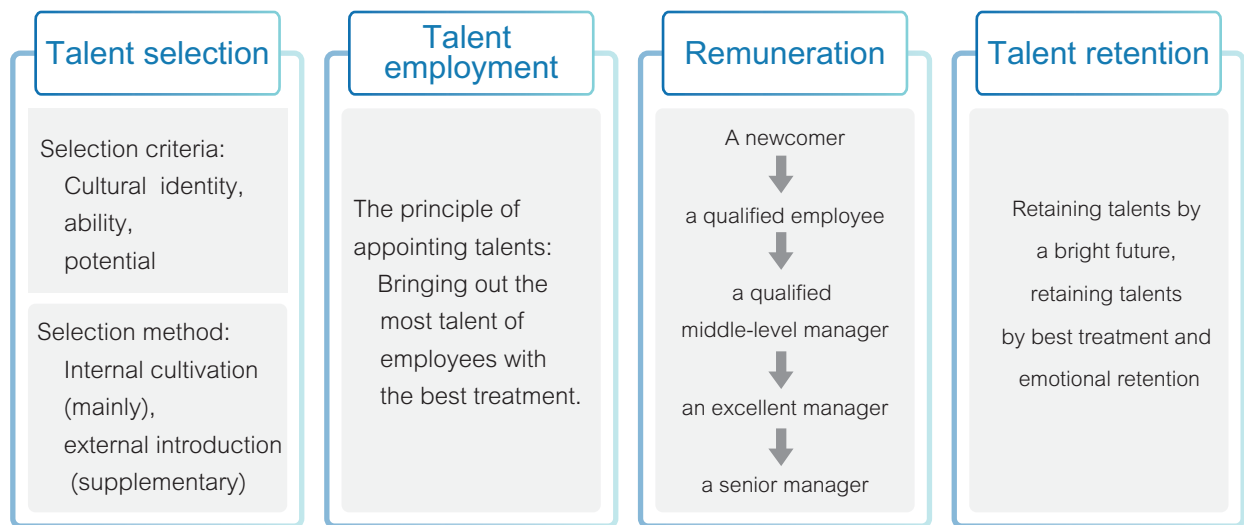
<sup>10</sup> The calculation of comprehensive energy consumption referred to the General Rules for the Calculation of Comprehensive Energy Consumption (Documents for Public Comment in July 2018).

## DEVOTED TO POOLING STRENGTH

A high-quality workforce is an important condition for DaFa Properties to achieve sustainable development. The Group adheres to the talent strategy of meritocracy, continuously improves the management level of employees. By adopting multi-dimensional appraisals and incentives, providing competitive remuneration, building a win-win and co-creation talent training system, carrying out a variety of employee care activities. We have motivated the common development of the Company and talents.

### Employee Profile

Adhering to the vision of “recruiting talents from all over the world” and the employment philosophy of “cultivating talents and appointing them on merits”, the Group has established and continued to improve the employee management system. We abide by the *Labor Law of the People’s Republic of China*, the *Law of the People’s Republic of China on employment contracts* and other laws and regulations. Through continuously strengthening employee management by formulating internal management policies such as the *Recruitment Management System and Measures for Labor Contract Management*. We prohibit the recruitment of child labor, prohibit forced labor, and eliminate employee discrimination, and are committed to protecting the rights and interests of every employee through a fair and transparent talent employment and management model.

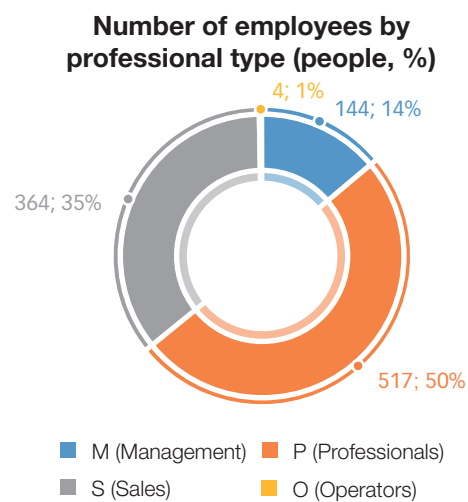
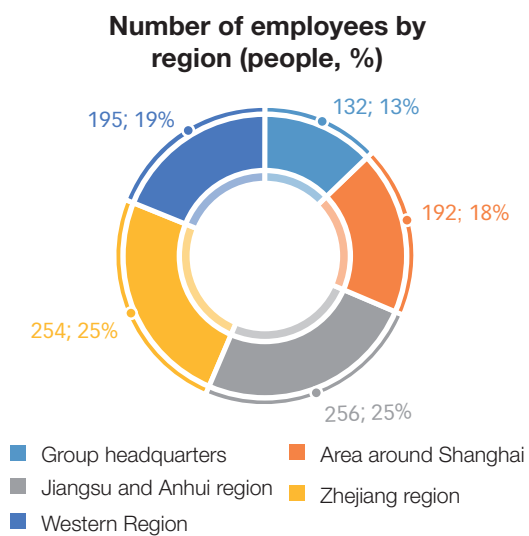
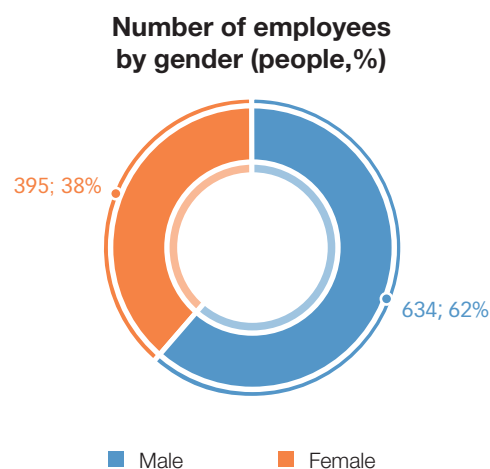
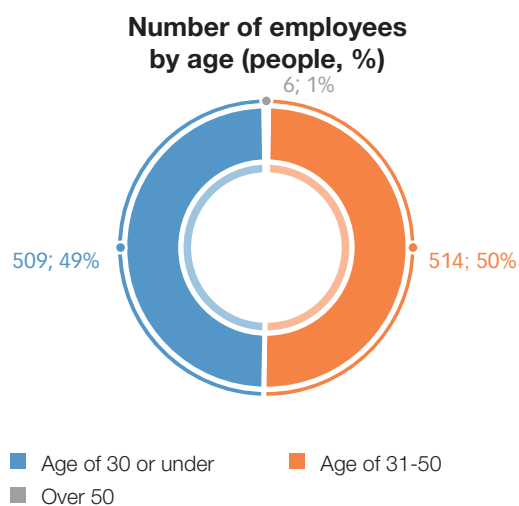


**Talent management system**

During the Reporting Period, the Group improved its recruitment mechanism. For vacant positions, we adopted the principles of “giving priority to internal staff” and “fair, just and open competition”, prioritizing internal training and internal promotion, and promoting the flow of talents and staffing optimization within the Group. In the meantime, we enhanced the transparency of the internal competitive recruitment mechanism, timely and adequately publicized the results of competitive recruitment, and promoted open, transparent, and formalized talent selection.

## DEVOTED TO POOLING STRENGTH

As of December 31, 2020, we had a total of 1,029 employees. The number of employees divided by gender, age and professional type is shown in the figure:



## Remunerations and Benefits

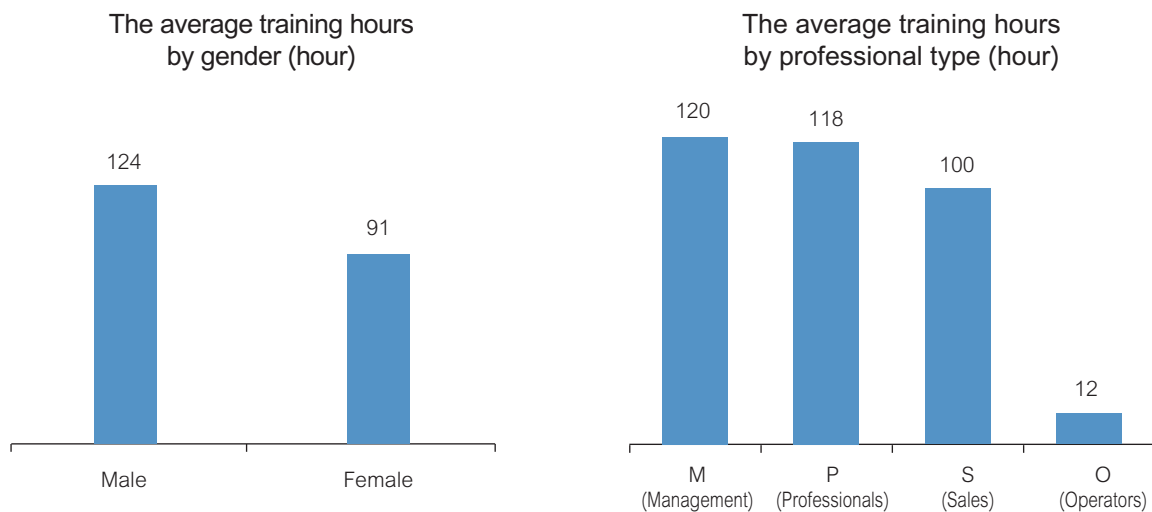
The Group has formulated and implemented the *Management System of Employee Salary*, the *Management System of Employee Benefit*, the *Management System of Employee Leave*, the *Management System of Employee Attendance* and the *Management System of Employee Performance*. Under the premise of ensuring internal fairness of the Company, we persistently pursue competition from the outside world. We pay various basic insurances and related premiums for employees in accordance with the *Social Insurance Law of the People's Republic of China*. We have set up a series of employee benefits such as holiday benefits and high temperature subsidies. During the Reporting Period, we continued to optimize employee performance management to allow employees to “get what they deserve”, thereby achieving fairness and impartiality. While maintaining incentives more competitive than other companies, we ensured that incentives were applied in different degrees in regions with different operating conditions.

**DaFa Properties List of Employee Benefits**

<b>Statutory benefits</b>	Basic medical insurance, endowment insurance, maternity insurance, unemployment insurance, work injury insurance and housing provident fund
<b>Corporate welfare</b>	Festival benefits, high temperature subsidies, regular medical examinations, commercial insurance, and vouchers redeemed for welfare via an online welfare platform

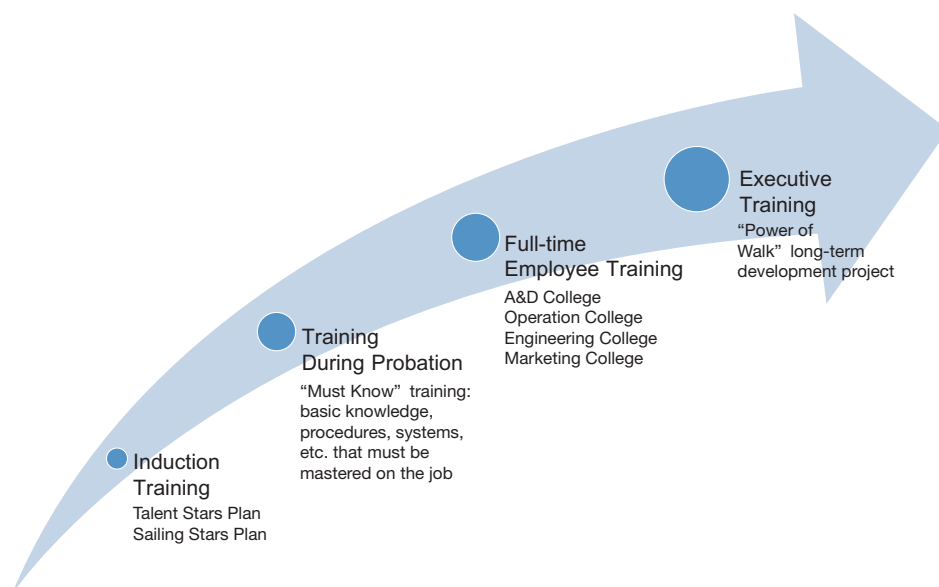
## Talent Development

We are committed to enriching employees' industry knowledge and helping them improve their work skills by improving the internal employee training system and providing systematic training programs. During the Reporting Period, training coverage rate of employees was 100%. Their training hours were 114,561 hours, 28.6% more than last year. Average training time per capita was 111 hours, an increase of 30.6% over last year.



We have established a comprehensive staff training system including “induction training – training during probation – full-time employee training – executive training”. We set up different internal training and external training programs for different employee groups, strive to improve the professionalization and specialization of the team, and promote the growth of talents. In addition, we continuously improve the lecturer mechanism, and have established a long-term stable, high-quality internal lecturer team that adapts to the corporate culture, so as to realize the precipitation and inheritance of knowledge, skills and experience.

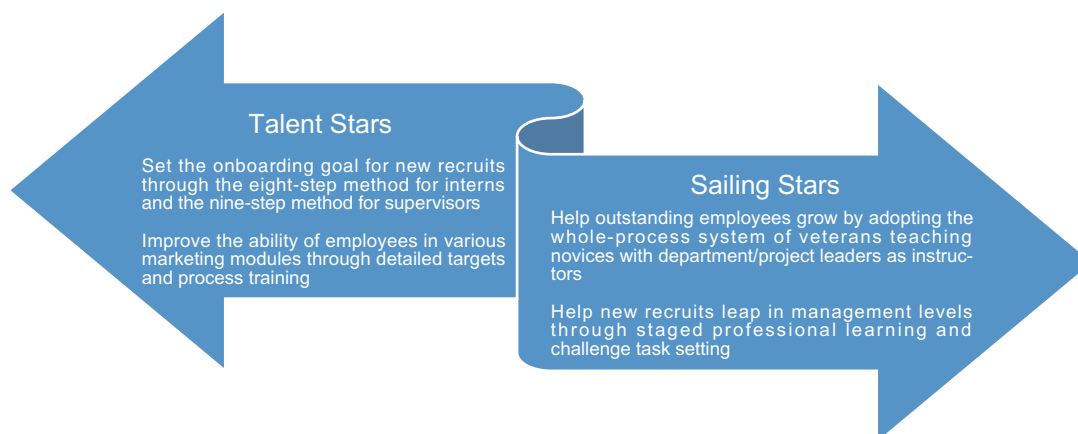
## DEVOTED TO POOLING STRENGTH



**Employee Training Roadmap**

### **Training Programs**

In order to strengthen personnel training, we have developed diverse and targeted employee training programs. For new recruits, we launched the “Talent Stars” and “Sailing Stars” projects to help outstanding employees grow through veterans teaching novices, large-scale intensive training and other activities. For probationary employees, we constantly carry out the “Required Technical Knowledge and Skills” training project to help employees fully understand the Company’s rules and regulations and promote the construction of a learning organization. For the Group’s executives, we have launched a long-term development project “Power to Go” to strengthen communication between managers and build an efficient management system.



**Talent Stars and Sailing Stars Training Systems**

### “Required Technical Knowledge and Skills” training project

During the Reporting Period, the Group completed 3 sessions of “Required Technical Knowledge and Skills” training, covering a total of 96 systems in general and specialized categories for various functions and lines, and launched online examinations in the “Super Learner” column of the “Fasheng” platform on the DaFa Properties official account as well as offline examinations in parallel. Nearly 7,000 people participated in the examinations. In order to facilitate all staff to learn the content of the course at any time, the “Must Know” online learning module was launched on the official website of DaFa Properties, and all courses were uploaded to the platform. As of December 31, 2020, there were over 5,000 people who had participated in online learning.

### Power to Go

“Power to Go” is a long-term development project for DaFa Properties’ management focusing on organizational pain points, which holds regular seminars and other activities to improve the management level of the manages. Officially launched in 2018, the project has carried out the “Camaraderie”, “Strategic Discussion” and “Fire in Heart” sessions.

From October 10<sup>th</sup> to 12<sup>th</sup>, 2020, the third session of “Power to Go” project – Fellow Traveler of DaFa Properties was successfully carried out in Lingshan, Wuxi. In this high-level training project, more than 30 managers jointly discussed the development of the enterprise and exchanged views on the industry. By strengthening the communication between managers of different departments, we were inspired more in enterprise management.

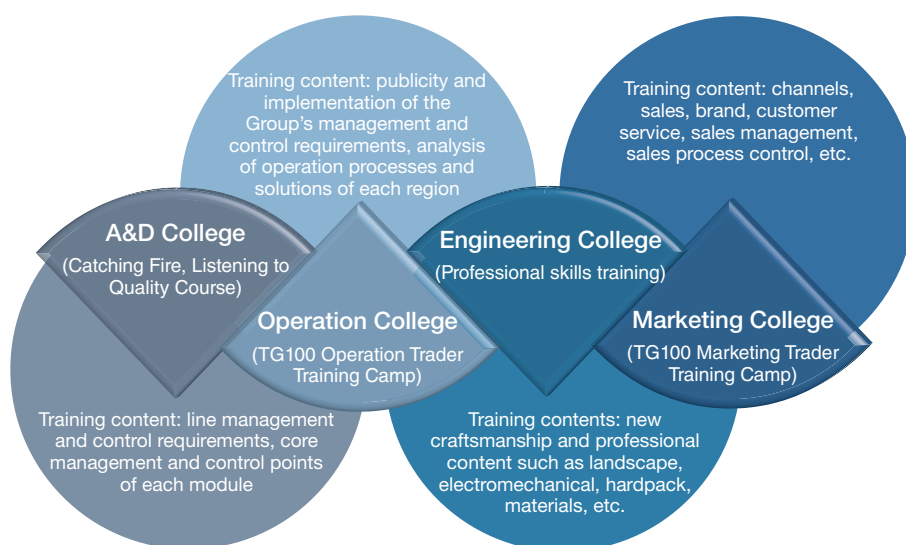


“Power to Go” project

## DEVOTED TO POOLING STRENGTH

### Training School

We have established 4 training schools to strengthen the implementation of systematic, standardized, and characteristic knowledge, skills, and systems in each line. Among them, the A&D College aims to help employees quickly grasp the management and control requirements and key points of each line; the Operation College pays attention to the promotion and implementation of the Group's management and control systems; the Engineering College is mainly responsible for professional technical training of employees; the Marketing College focuses on marketing channels and management.

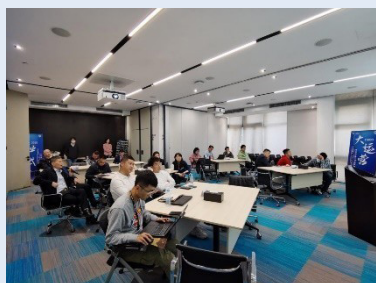


Training system of four schools

### TG100 Operation Trader Training Camp

The TG100 Operation Traders Training Camp is designed for the Group's project chiefs, engineering managers, department heads, and Sailing Stars. It aims to cultivate qualified operation management personnel, improve the overall project echelon, and ensure the supply of talents in the development process.

During the Reporting Period, we launched 9-month TG100 operation traders training camp, focusing on the core competencies necessary to achieve fast-cycle, high-quality, profitable, and contributing cash flow, and 17 courses and 12 scenario simulation trainings were offered. This training camp was carried out in the form of "online teaching + offline scene training", and 11 senior lecturers from various lines were invited to assist in course development, lecture Q&A and scene training. 61 people successfully graduated from the first session, and personnel with promotion accounted for 32.5% of the total number of participants.



TG100 Operation Trader Training Camp

### TG100 Marketing Trader Training Camp

The TG100 Marketing Trader Training Camp is designed for the Group's regional office and project marketing leaders, high-potential personnel in planning and channel development, and Talent Stars. It aims to cultivate high-potential marketing traders and improve the construction of marketing talent echelon.

During the Reporting Period, we launched three TG100 marketing traders training camps, focusing on three aspects: marketing professional skills consolidation, cross-line management awareness training, and comprehensive management ability improvement. 14 courses of multiple lines were offered, covering marketing, design, engineering, operation, investment, finance, and human resources. The camps were carried out in the form of "on-site teaching + project skills practice". During the Reporting Period, 44 employees were trained and 13 were promoted, and personnel with promotion accounted for 30% of the total number of participants.



**TG100 Marketing Trader Training Camp**

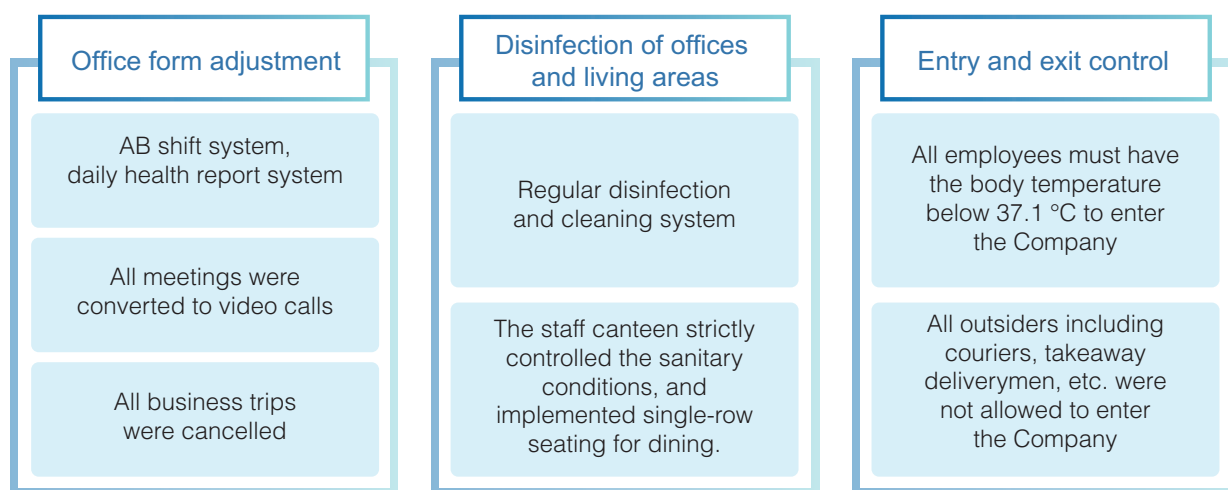
### Employee Care

The Group believes that employee care is the key to building a harmonious enterprise. We protect the health of employees through physical examinations and epidemic prevention and control, strengthen employee communication by expanding employee communication channels, and improve team cohesion by organizing a wealth of employee activities.

## DEVOTED TO POOLING STRENGTH

### Health care

We put the physical and mental health of our employees at an important position in our business operations. During the Reporting Period, the coverage rate of the physical examination for the employees of the Group was 100%. During the epidemic, we adopted various measures such as adjustment of office formats, disinfection of office and living areas, and entry and exit control to strictly prevent and control the epidemic and protect the health of employees. In the mean-time, we attached great importance to the impact of the epidemic on the health of construction workers and the progress of construction projects. Through the implementation of the “Anti-epidemic Treasure” project management software, we carried out epidemic prevention and control for each project constructor and disinfection work on the project site every day, in order to ensure the normal progress of each project after the resumption of work and production.



### Protective Measures During the Epidemic

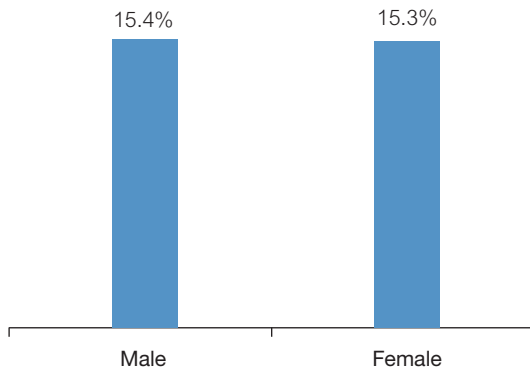
### Employee Communication

We have set up and maintained a multi-channel employee communication mechanism, including the “Fasheng” platform and “Complaints Pool”, while actively expanding employee communication channels in an effort to create a harmonious working atmosphere through unobstructed communication.

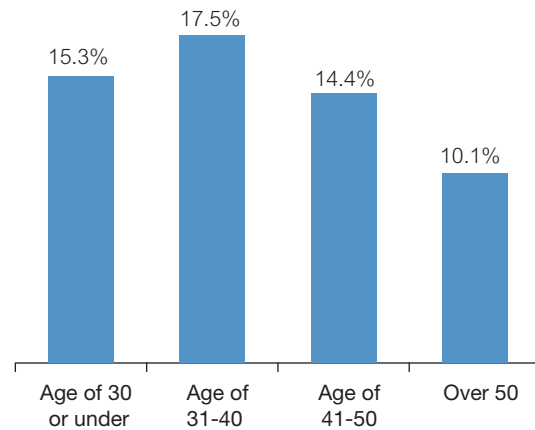
The “Fasheng” platform is an important information release platform and employee communication channel for the Group. Through this platform, we constantly update the Group’s dynamics, showcase employee achievements, release key organizational information, and provide communication channels between employees and management. During the Reporting Period, we actively explored the platform’s efficient management model, listened to the voice of employees, and improved the quality of postings. “Complaints Pool” is an important platform for employees to express their personal views. We actively collected employee suggestions and opinions to improve the Group’s management with humanity and operational efficiency.

During the Reporting Period, our staff turnover rate was maintained at a low level. As of December 31, 2020, our staff turnover was as follows:

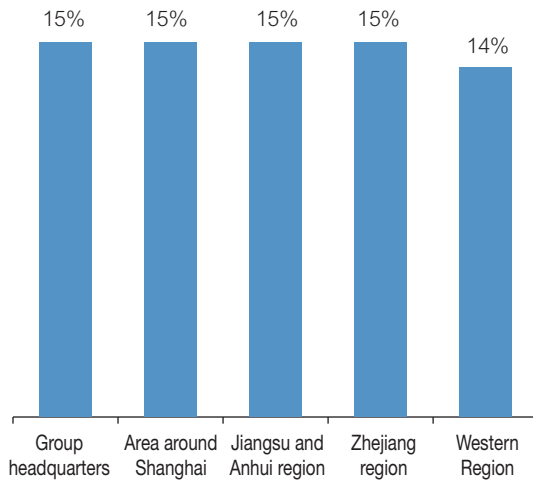
**Turnover rate by gender (%)**



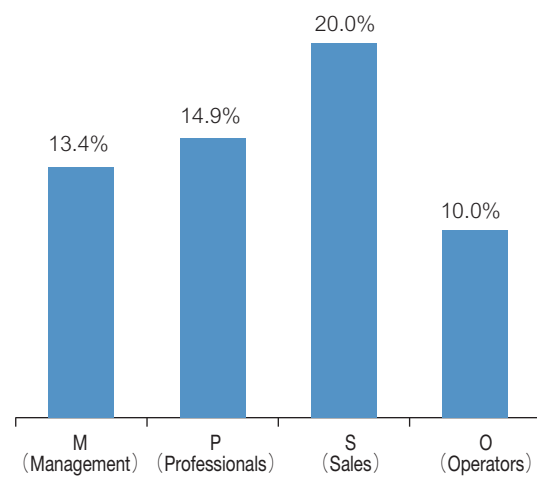
**Turnover rate by age (%)**



**Turnover rate by Region (%)**



**Turnover rate by professional type (%)**



## Employee Activities

We value and continuously improve team cohesion. During the Reporting Period, we organized the D-CUP basketball game, the first D-FUN e-sports game, and many other well-received activities to continuously improve the physical fitness of employees and promote exchanges between employees and between departments.

### DaFa Properties Fifth D-CUP Basketball League

The 5th D-CUP Basketball League of DaFa Properties was officially launched on July 25, 2020. 6 teams from 6 regions participated the league. After 12 matches in two months, the players strengthened communication and friendship during the game, improved unity and teamwork in the competition.



DaFa Properties Fifth D-CUP Basketball League

### DaFa Properties First D-FUN E-sports Championship – Season of the King of Glory

DaFa Properties First D-FUN E-sports Championship – Season of the King of Glory officially kicked off on November 21, 2020. The purpose of this activity was to bring employees closer, enrich their lives, and create a relaxed and pleasant working atmosphere; and in the meantime, through the team competition of e-sports, to help DaFa Properties build cohesion.



DaFa Properties First D-FUN E-sports Championship

## DEVOTED TO GROWING TOGETHER

DaFa Properties insists on open cooperation for mutual benefit and win-win results. We have established stable and efficient cooperative relations with suppliers, strictly guarantee the quality of the supply chain, and help improve the quality of suppliers' products and services; in the meantime, we actively participate in industry alliances, strengthen close ties with peers, and jointly contribute to the long-term, high-quality and stable development of the industry.

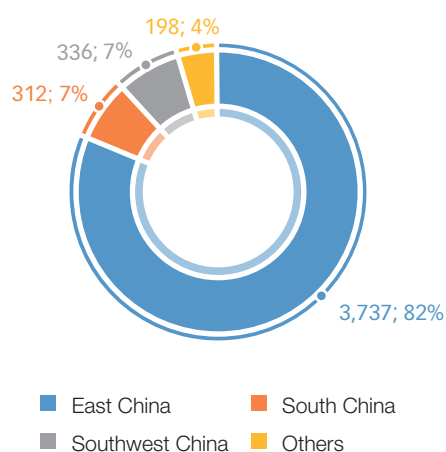
### Supplier Management

The Group continuously improves the supplier management system, strengthens supplier access control, improves supplier evaluation capabilities, and enhances supplier communication and cooperation, in order to achieve common growth with partners. In order to carry out efficient management of suppliers, we strictly abide by the *Law of the People's Republic of China on Bid Invitation and Bidding*, the *Provisions on the Scope and Scale Standard of Bidding for Construction Projects* and other laws and regulations, have established a supply chain management system covering the entire process of cooperation, and continuously improve the supplier management level.

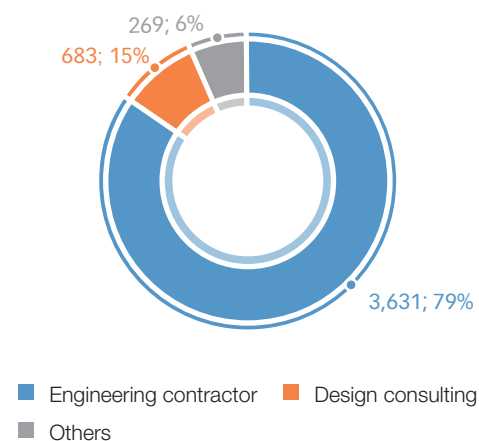
As our project locations and suppliers are widely distributed, in order to improve the efficiency of supply chain management, we have established a central supplier database to improve the security and stability of the supply chain. Our suppliers are mainly suppliers of goods and contractors. We adopt different cooperation models for different types of suppliers.

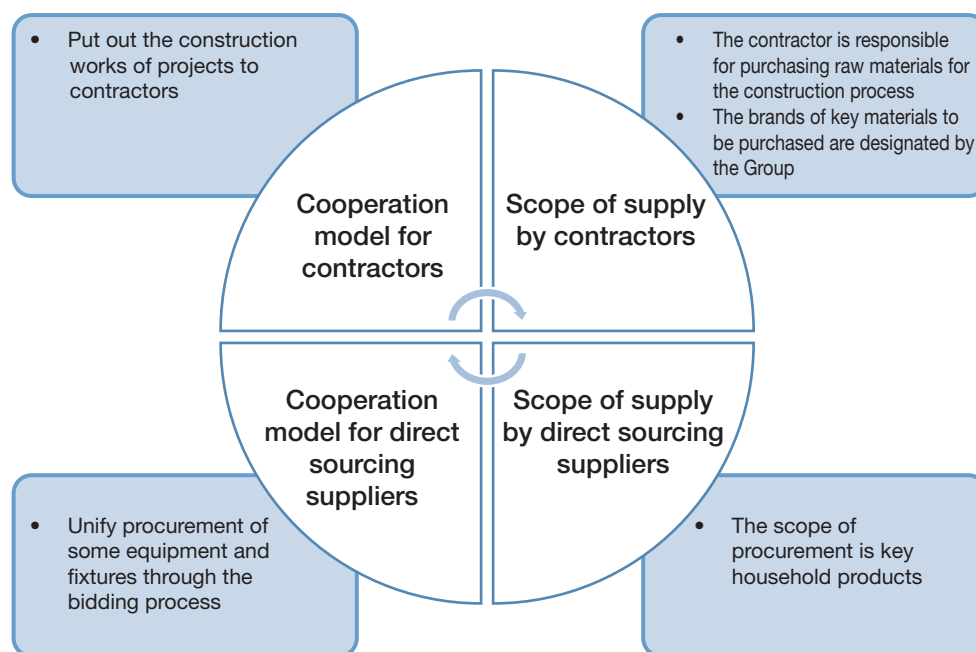
During the Reporting Period, we established cooperative relationships with 4,583 suppliers, which are divided by region and by purchase type as shown in the figure:

Number of suppliers by region (unit, %)



Number of suppliers by type (unit, %)

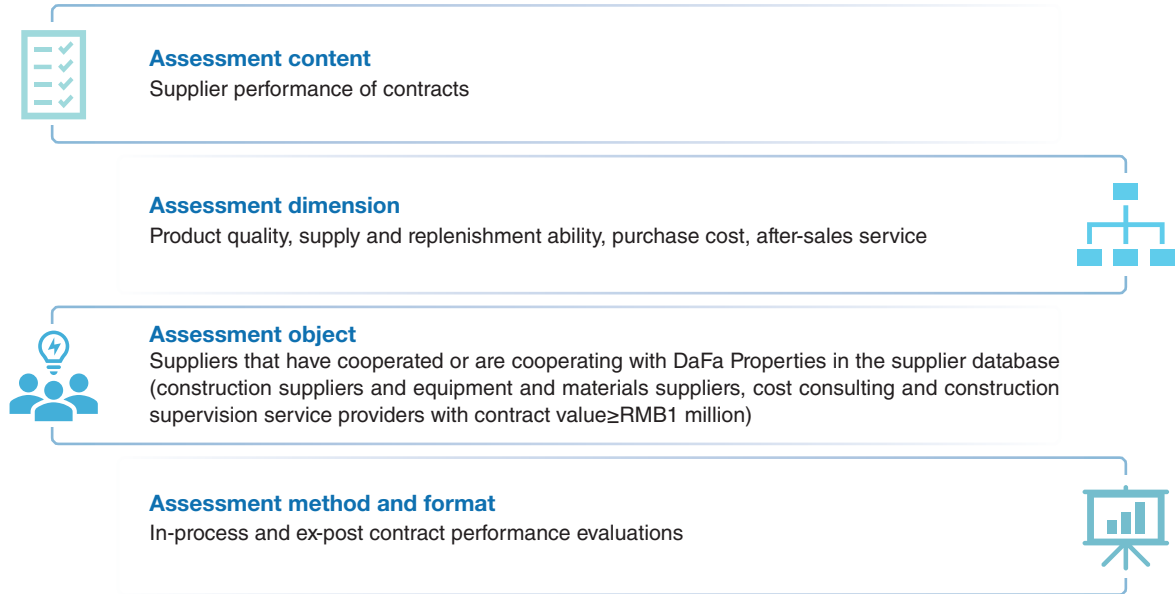




**DaFa Properties Supplier Cooperation Model**

### **Supplier Ex-ante Evaluation**

According to DaFa Properties' supplier ex-ante requirements, before signing a contract with a new supplier, we adopt various measures such as material review, company inspection, interview and exchanges, etc. to carry out strict access assessment of suppliers from multiple dimensions. In addition, we actively advocate and promote green procurement, and help the industrial chain achieve green upgrades through Green Chain Action.



### Supplier Ex-ante Evaluation System



### Supplier Ex-ante Evaluation Dimensions

### Green Chain Action

DaFa Properties actively advocates and promotes green procurement and implements the responsible procurement concept of “no environmental compliance, no procurement”. During the Reporting Period, we actively participated in the Green Chain Action, pushed nearly tens of billions worth of green purchases, and successfully drove upstream suppliers to reduce the negative impact on the environment in all aspects of raw material mining, production and processing, and terminal consumption, so as to improve resource efficiency, achieve the green upgrade of the industrial chain, and provide end consumers with green, healthy and environmentally friendly products.



Green Chain Action

### Supplier In-process Evaluation

While improving the supplier ex-ante evaluation mechanism, we actively carry out and improve the daily assessment and process assessment of suppliers to continuously improve the level of supply chain management. Based on the results of supplier's daily assessment and process evaluation, we carry out classification management of suppliers at different levels and adopt targeted cooperation management methods.



#### High-quality suppliers

Enjoy preferential treatments such as the right to take up large orders, strategic priorities, and the right to renew the bid



#### Qualified suppliers

Maintain normal cooperation



#### Whitelisted suppliers

Continue to cooperate, help them improve



#### Greylisted suppliers

Suspend cooperation and help them rectify until the problem is solved



#### Blacklisted suppliers

Cease cooperation once for all

### Supplier Classification Management System

### Supplier Integrity Management

In order to strengthen supplier integrity management, we require suppliers to sign the Supplier Integrity Letter in the marketing and bid inviting system, and conduct archiving by their different levels in bid inviting activities according to the requirements of *DaFa Properties Archived Marketing Materials Management System*. In addition, we have formulated the Twelve Red Lines for Transparent Procurement to ensure fairness and justice in the bidding process.

#### Twelve Red Lines for “Transparent Procurement”

We adhere to the transparent procurement concept of “win-win cooperation with all partners and move forward in pursuit of dreams”, committed to creating a fair and transparent business environment. In the bidding process, we advocate public invitations for bid and invitation-based tenders for bid, and timely release and update the information of the bidding process. In addition, we have formulated the *Twelve Red Lines for Transparent Procurement*, which clearly stipulates the “12 red lines” and penalties in the procurement process and supplier management process, in order to provide policy guarantees for the establishment of an open and transparent procurement system.

## Supplier Communication

In order to continuously improve the quality of the project, we actively communicate with suppliers and carry out supplier training programs to consolidate long-term cooperative relations. During the Reporting Period, we were committed to helping suppliers achieve capacity improvement by participating in supply-demand matchmaking meetings, supplier innovation exhibitions, supplier brand review meetings and other activities.

### 2020 China Real Estate Annual Procurement Summit & Innovation Achievement Exhibition of Selected Suppliers

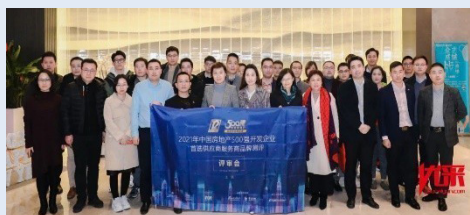
On December 11, 2020, DaFa Properties participated in the 2020 China Real Estate Annual Procurement Summit & Innovation Achievement Exhibition of Selected Suppliers. Based on the development of the industry and our own practice, we had dialogues with suppliers on the spot. At this conference, DaFa Properties won the “Sunshine Procurement Benchmark Developer” award.



2020 China Real Estate Annual Procurement Summit  
& Innovation Achievement Exhibition of Selected Suppliers

### The offline evaluation meeting for the 12<sup>th</sup> Preferred Suppliers of China's Top 500 Real Estate Development Enterprises

On December 25, 2020, DaFa Properties participated in the offline evaluation meeting for the 12<sup>th</sup> Preferred Supplier of China's Top 500 Real Estate Development Enterprises at Shanghai Stop to score the brand-name quality suppliers of property developers that had applied for the evaluation. The meeting is an important part of the acquisition of the evaluation data on the preferred supplier brands of top 500 property developers, and the score is a key part of the evaluation report. Through this participation, we worked with industry partners to explore more high-quality potential suppliers and continue to expand the areas of cooperation.



Offline evaluation meeting for the 12<sup>th</sup> Preferred Suppliers of China's Top 500  
Real Estate Development Enterprises

### Supplier Support

The outbreak of Covid-19 in 2020 brought a huge impact on the industry. While helping suppliers grow, we were committed to helping suppliers tide over the epidemic. Due to the late resumption of work by enterprises, uncertain return time for workers, and delays in logistics caused by the epidemic, suppliers were facing the risk of delivery delays due to insufficient production capacity and delayed supply to some projects. In this regard, we deeply understood that the level and quality of the supply chain is an important guarantee for the stable operation of an enterprise. Therefore, for projects with high-risk supply, we discussed solutions with the senior management of manufacturers, and did our best to help them open up green channels, assist access to transportation vehicles, coordinate vehicles entering the site, reduce supplier waiting costs, speed up production scheduling and transportation, pulling together to win the battle against the epidemic.

### Industry Contribution

The Group consistently builds open partnerships with its own characteristics and actively participates in industry activities. In 2019, the Group joined the China Enterprise Anti-fraud Alliance and the Trust and Integrity Enterprise Alliance, becoming the governing unit of the China Enterprise Anti-fraud Alliance and the member unit of the Trust and Integrity Enterprise Alliance to strengthen the anti-fraud professional strength and the ability of information sharing among industries. In addition, we joined various procurement alliances and worked with the leading companies in domestic real estate industry to build strategic partnerships.

During the Reporting Period, relying on industry alliances, we maintained frequent and stable communication with peer companies, and worked hand in hand with them to grow the industry.

#### Active participation in joint procurements organized by CURA and New Hongqiao Procurement Alliance

During the Reporting Period, in order to strengthen industry cooperation and exchanges and work with peers to improve the level of procurement management, DaFa Properties actively explored strategic procurement in consulting and construction categories through the joint procurements organized by CURA and New Hongqiao Procurement Alliance.



**CURA Joint Procurement Bid Calibration Conference**



**New Hongqiao Procurement Alliance Joint Procurement Signing Conference**

In addition, we continued to expand business cooperation by signing strategic cooperation agreements with Sinic Real Estate, Desun Real Estate, Tongxin Real Estate, Agile Group and other companies to open the door to win-win cooperation and jointly realize the efficient allocation of resources and the rapid development of enterprises.

## DEVOTED TO BUILDING A WARM SOCIETY

DaFa Properties has always been motivated by responsibility, based itself on the original intention, and adhered to the corporate vision of “walking with charity, sharing with love” to fulfill the mission and mandate of contemporary corporate citizens and determine to be an enterprise with care, attitude and sense of responsibility. During the Reporting Period, we worked hand in hand with all sectors of society to promote charity in education, care for disadvantaged groups, fight against the epidemic, and contribute “DaFa Strength” to emergency disaster relief.

### Public Service and Charity

The Group pays consistent attention to education and community care, has charted a course for charity characterized by “long-term sustainability, complete system, inheritance and development” through its continuous practice, enabling a blissful community with practical actions.

In order to further fulfill social responsibilities, we carry forward the spirit of humanitarianism, promote the traditional virtues of the Chinese nation, and spread the culture of charity. During the Reporting Period, we raised and launched the DaFa Foundation<sup>11</sup> to include more employees, customers, partners and volunteers, etc. in charity activities and together help the sustainable development of China’s charity undertakings.

During the Reporting Period, we won various awards for our outstanding performance and dedication in public service and charity, which not only affirmed our contribution to public good, but also served as a spur and impetus to us. In the future, DaFa Properties will continue to dig deeper into the field of charity and make greater contributions to the sustainable development of society.



**2020 China Innovative Enterprise for Social Responsibility**



**2020 China Top 10 Charity Cases in Real Estate Industry**

<sup>11</sup> DaFa Foundation was established in 2021 as a non-public foundation with the approval of the Shanghai Civil Affairs Bureau.

### Charity in Education

The Group deeply understands that good education is the foundation of improving the quality of the people and the key to the future development of the country and the nation. Therefore, we actively explore the field of charity in education, committed to participating in diversified education promotion and support programs and consistently advancing the progress of national education undertakings.

#### Financial support for poor students

On August 6, 2020, under the leadership of the Municipal Charity Federation, the Municipal Committee of the Communist Youth League and other relevant departments of Wenzhou, DaFa Properties in conjunction with Wenzhou Zero Distance Media held the 2020 “Zero Distance•Study Aid Tour” activity. The Group donated RMB100,000 to support 22 students from impoverished families in remote and mountainous areas of Wenzhou until graduation from university, encouraging them to face life bravely and study hard to create a better future.



2020 “Zero Distance•Study Aid Tour” Activity

#### Supporting the construction of China Institute for Development Planning, Tsinghua University (THU-CIDP)

On January 13, 2020, as the only member unit of the China Institute for Development Planning, Tsinghua University (THU-CIDP), DaFa Properties participated in the second meeting of the Management Committee of CIDP to support the construction process of CIDP, with the goal of cultivating outstanding talents and contributing to national development.



The second meeting of the Management Committee of THU-CIDP

### Community Care

In addition to supporting education, we pay attention to community building and are committed to creating a warm, caring and beautiful diversified community. We unite the forces from all walks of life in society to work together towards better urban development through community care and to spread love and warmth.

#### Collaboration with Eju Lenong to launch a charity event

In September 2020, DaFa Properties joined hands with Eju Lenong to organize the “YUE+ Charity September Sweetness Sharing” event. We purchased three local specialty fruit varieties from Minqin, Gansu, Gengma, Yunnan, and Guanling, Guizhou, respectively and launched charity activities in more than 40 cities across the country to send gift boxes of fresh fruits to 10,000 social workers as tribute to their hard work and perseverance.

In addition, when we delivered the sweetness to city builders, we sowed love in the desert border areas. In this event, we cooperated with Eju Lenong to launch the “Honeymelon Charity Fruit Box”, donated 1,110 Haloxylon trees to Minqin through fruit purchases for planting, covering an area of 1,400 square meters for windbreak, sand fixation, and greening, turning the sweetness, born in the desert, into toughness in guarding the Minqin oasis.



**Donation of Haloxylon trees to Minqin**

## Anti-Epidemic and Disaster Relief

While emphasizing economic benefits, the Group always follows up on social concerns. Whether it is the nationwide anti-epidemic fight or the regional flood disaster, whenever there is a dangerous situation, we will respond as soon as possible by participating in rescue and material donations, actively contributing our own part to helping the affected people overcome difficulties.

### *Fight against the epidemic*

At the beginning of 2020, the outbreak of Covid-19 pulled the heartstrings of everyone in the country. In the face of the historical test, we joined hands with the people across the country to fight the epidemic. During the Reporting Period, we invested RMB10 million to set up a special fund to fight the epidemic. Moreover, we constantly united multiple forces to seek global procurement of medical supplies and donated in multiple batches 280,000 medical masks, 5,580 pieces of medical protective suits, 150,000 medical gloves, 50 monitors and 100 ventilators to the anti-epidemic front lines of Wuhan and Wenzhou, helping to win the fight against the epidemic.



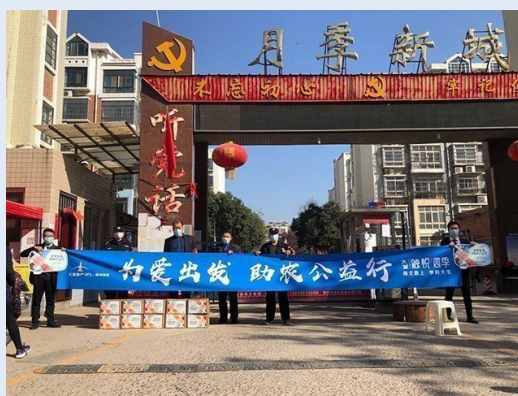
**Donation of anti-epidemic materials to the Wenzhou Municipal Health Commission**

## DEVOTED TO BUILDING A WARM SOCIETY

In addition, we were concerned about the social and economic recovery and development in the post-epidemic era. While resuming work and production, we strove to reach out to help merchants affected by the epidemic, and also hoped to unite more social forces to revitalize the market and stimulate economic vitality.

### “Charity Tour to Support Agriculture” activity

During the epidemic, due to factors such as obstructed logistics, many agricultural product bases experienced slow sales. In response to this, we took immediate action to help farmers expand sales channels, purchase agricultural and sideline products in batches, cooperate with local charity organizations to carry out targeted assistance, and actively mobilize people from all walks of life and residents in surrounding communities to participate in this charity activity in support of agriculture.



Charity Tour to Support Agriculture

### ***Disaster assistance***

Whenever a disaster occurs, we always take the lead in taking the responsibility for rescue, rushing to the front line of disaster relief, actively responding to the government's disaster relief work, sending warmth and blessings to the people in the disaster area, and helping them protect their beautiful homes.

#### **Flood resistance and rescue**

On July 22, 2020, at the call of the Wuhu Municipal Government for rescue and disaster relief, DaFa Properties Wuhu Project organized 16 staff members to participate in the flood and disaster relief work in Erba Town, Jiujiang District, Wuhu City, forming an "anti-flood assembly line" together with hundreds of rescuers, making and transporting sandbags to reinforce dams to play our part in flood resistance.



**Flood prevention and disaster relief**

# APPENDIX I: LIST OF APPLICABLE LAWS, REGULATIONS AND INTERNAL POLICIES

## Laws and Regulations:

*Company Law of the People's Republic of China*  
*Securities Law of the People's Republic of China*  
*Audit Law of the People's Republic of China*  
*Regulation on the Implementation of the Audit Law of the People's Republic of China*  
*National Auditing Standards of the People's Republic of China*  
*Anti-Unfair Competition Law of the People's Republic of China*  
*Law of the People's Republic of China on Anti-money Laundering*  
*Interim Provisions on the Prohibition of Commercial Bribery*  
*Intellectual Property Law of the People's Republic of China*  
*Product Quality Law of the People's Republic of China*  
*Law of the People's Republic of China on Urban Real Estate Administration*  
*Advertising Law of the People's Republic of China*  
*Property Law of the People's Republic of China*  
*Law of the People's Republic of China on the Protection of Consumers' Rights and Interests*  
*Personal Information Protection Law of the People's Republic of China*  
*Environmental Protection Law of the People's Republic of China*  
*Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise*  
*Law of the People's Republic of China on Environmental Impact Assessment*  
*Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*  
*Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*  
*Law of the People's Republic of China on Prevention and Control of Water Pollution*  
*Regulations on the Administration of Construction Project Environmental Protection*  
*Labor Law of the People's Republic of China*  
*Labor Contract Law of the People's Republic of China*  
*Social Insurance Law of the People's Republic of China*  
*Law of the People's Republic of China on Tenders and Bids*  
*Provisions on the Scope and Threshold of Construction Projects for Bid Invitation*

**Main Internal Policies:**

*Opinions on Disciplining Employees for Violating Corporate Rules*  
*Employee Code of Integrity and Self-Discipline*  
*Reporting System*  
*Integrity Inspection System*  
*Guide Book for the Standardized Control of Project Whole-Process Architectural Design*  
*Design and Management of General Layout Plans for Maximum Profit*  
*Design Management Operation Guidelines*  
*Standardized Quality Control Process for Demonstration Areas (On-site Implementation Part)*  
*Shopping Mall Management System*  
*Merchant Safety Management System*  
*Warehouse Safety Management System*  
*DaFa Properties Achieved Marketing Materials Management System*  
*Administrative Measures on Channel Use*  
*Requirements for Green Building Construction Management*  
*Recruitment Management System*  
*Measures for Labor Contract Management*  
*Management System of Employee Salary*  
*Management System of Employee Welfare*  
*Management System of Employee Leave*  
*Management System of Employee Attendance*  
*Management System of Employee Performance*  
*Twelve Red Lines for Transparent Procurement*

## APPENDIX II: STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

General Disclosure and Key Performance Indicators		Disclosure in chapter
<b>A. Environmental</b>		
<b>Aspect A1:</b>	<b>Emissions</b>	
<b>General Disclosure</b>	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.	Green Construction Green Operation
<b>KPI A.1.1</b>	The types of emissions and respective emissions data.	Devoted to Living a Green Life
<b>KPI A.1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Devoted to Living a Green Life
<b>KPI A.1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	During the Reporting Period, the hazardous wastes generated by the Group came from waste batteries and waste fluorescent tubes during office operation. With little generation, these hazardous wastes were directly disposed of by a qualified third party and we conducted no daily data statistics, so no relevant disclosure has been made. We are intended to disclose after intensive management in the future.
<b>KPI A.1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Devoted to Living a Green Life
<b>KPI A.1.5</b>	Description of measures to mitigate emissions and results achieved.	Green Construction Green Operation
<b>KPI A.1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Green Construction Green Operation

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General Disclosure and Key Performance Indicators		Disclosure in chapter
<b>Aspect A2:</b>	<b>Use of Resources</b>	
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Devoted to Living a Green Life
<b>KPI A2.1</b>	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).	Devoted to Living a Green Life
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Devoted to Living a Green Life
<b>KPI A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Green Construction Green Operation
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Devoted to Living a Green Life
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our operation does not involve packing material
<b>Aspect A3:</b>	<b>The Environment and Natural Resources</b>	
<b>General Disclosure</b>	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Green Construction Green Operation
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Devoted to Living a Green Life

## APPENDIX II: STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

General Disclosure and Key Performance Indicators		Disclosure in chapter
<b>B : Social</b>		
<b>Aspect B1 :</b>	<b>Employment</b>	
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Devoted to Pooling Strength
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Employee Profile
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Employee Profile
<b>Aspect B2:</b>	<b>Health and Safety</b>	
<b>General Disclosure</b>	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.	Talent Development Employee Care Quality and Safety
<b>KPI B2.1</b>	Number and rate of work-related fatalities.	During the Reporting Period, there are no work-related fatalities in the Group
<b>KPI B2.2</b>	Lost days due to work injury.	Quality and Safety
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Development Employee Care Quality and Safety

## APPENDIX II: STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

General Disclosure and Key Performance Indicators		Disclosure in chapter
<b>Aspect B3:</b>	<b>Development and Training</b>	
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Talent Development
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Talent Development
<b>Aspect B4:</b>	<b>Labour Standards</b>	
<b>General Disclosure</b>	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.	Devoted to Pooling Strength
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Employee Profile
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	During the Reporting Period, no violation of regulations occurs
<b>Operating Practices</b>		
<b>Aspect B5:</b>	<b>Supply Chain Management</b>	
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supplier Management
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Supplier Management
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supplier Management

## APPENDIX II: STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

General Disclosure and Key Performance Indicators		Disclosure in chapter
<b>Aspect B6:</b>	<b>Product Responsibility</b>	
<b>General Disclosure</b>	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.	Devoted to Innovation Quality and Safety Wholehearted Service Marketing Compliance
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our operation does not involve products recall
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Wholehearted Service
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Product R&D
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Quality assurance is disclosed In “Quality and Safety” but Our business does not involve products recall
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Marketing Compliance
<b>Aspect B7:</b>	<b>Anti-corruption</b>	
<b>General Disclosure</b>	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.	Responsible Governance
<b>KPI B7.1</b>	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.	Responsible Governance
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Responsible Governance

## APPENDIX II: STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

General Disclosure and Key Performance Indicators		Disclosure in chapter
<b>Community</b>		
<b>Aspect B8:</b>	<b>Community Investment</b>	
<b>General Disclosure</b>	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.	Devoted to Building a Warm Society
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Public Service and Charity Anti-Epidemic and Disaster Relief
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Public Service and Charity Anti-Epidemic and Disaster Relief



**大发地产集团有限公司**  
DAFA PROPERTIES GROUP LIMITED

