

東原仁知城市運營服務集團股份有限公司

DOWELL SERVICE GROUP CO. LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)

STOCK CODE : 2352



Environmental, Social
and Governance Report 2021



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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ABOUT THIS REPORT

Introduction

DOWELL SERVICE GROUP CO. LIMITED* (東原仁知城市運營服務集團股份有限公司) (referred to as the “DOWELL” or the “Company”, and together with its subsidiaries, the “Group” or “we”) is pleased to publish its first Environmental, Social and Governance (referred to as the “ESG”) Report (referred to as the “Report”), with an intention to provide a transparent and open disclosure of the Group’s sustainability performance over the past year, in response to stakeholders’ concerns and expectations on the Group’s sustainability management.

Reporting Standards and Principles

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (referred to as the “Guide”) in Appendix 27 to the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (referred to as the “HKEX”). The Company upholds the disclosure principles set out in the Guide, reports on the “comply or explain” provisions set out in the Guide and follows the four reporting principles of materiality, quantitative, balance and consistency.

Materiality: The Report has identified material ESG factors and disclosed the process to identify and the criteria for the selection of material ESG factors and the process and results of stakeholder engagement.

Quantitative: The standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions, are described in notes in the Report.

Balance: The Report provides an unbiased picture of the Group’s performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: Consistent statistical methodologies are used for information disclosure in the Report. Any changes will be clearly stated in the Report.

Reporting Period and Boundary

The Report covers the Group’s ESG performance during the period from 1 January 2021 to 31 December 2021 (referred to as the “Reporting Period” or the “Year”).

Unless otherwise stated, the Report covers businesses directly controlled by DOWELL and discloses environmental key performance indicators (KPIs) of the headquarters in Chongqing and the top 10 subsidiaries with the highest annual revenue, namely Chongqing Xindongyuan Property Management Co., Ltd.* (重慶新東原物業管理有限公司) and Chongqing Xindongyuan Property Management Co., Ltd. Wuhan branch* (重慶新東原物業管理有限公司武漢分公司), Sichuan Xindongyuan Property Service Co., Ltd.* (四川新東原物業服務有限公司), GSN Property Services Co., Ltd. Inc.* (皆斯內(上海)物業管理服務有限公司), Chongqing Xindongyuan Property Management Co., Ltd.’s Shanghai branch* (重慶新東原物業管理有限公司上海分公司), Sichuan Xindongyuan Property Service Co., Ltd.’s Mianyang branch* (四川新東原物業服務有限公司綿陽分公司), GSN Property Services Co., Ltd. Inc.’s Beijing branch* (皆斯內(上海)物業管理服務有限公司北京分公司), Pingxiang Dongyuan Hongtuo Marketing Planning Company Limited* (萍鄉東原鴻途營銷策劃有限公司), Chongqing Chengfang Home Decoration Engineering Company Limited* (重慶澄方家居裝飾工程有限公司), as well as GSN Property Services Co., Ltd. Inc.’s Suzhou branch* (皆斯內(上海)物業管理服務有限公司蘇州分公司). Social aspects disclosures cover the entire Group.

* For identification purpose only

Reporting Language

The Report is published in both Chinese and English. In the event of any discrepancies, the Chinese version shall prevail.

Approval and Confirmation

The board of directors of the Company (referred to as the “Board”) assumes full responsibility for the content of the Report and approved and confirmed the content of the Report on 23 May 2022.

Publication

You can view the Environmental, Social and Governance Report 2021 on “Disclosure” under “Investor Relations” on the website of the Company (www.dowellservice.com) or on the HKEXnews website (www.hkexnews.hk).

Contact us

We attach great importance to your comments and suggestions on the Report, and welcome you to contact us by email (Email: ir@dowellservice.com).

2. ABOUT DOWELL

2.1 Company Profile

The Company was established in 2003 and was listed on the HKEX in 2022. As at 31 December 2021, DOWELL, as a property management service provider, mainly operates in cities in southwestern and eastern China, covering 51 cities including Beijing, Guangzhou, Chongqing, Changsha, Wuhan, Chengdu and Shanghai, and has 325 property projects under management, with the provision of diversified property management services for different properties, such as residential buildings, office buildings, industrial parks, hospitals and schools.

2.2 Company Mission

DOWELL aims to grow into a respected urban regeneration service provider with unique business value under the service concept of “For Every Moment of Peace of Mind” and the tenet of “pursuing long-term development with equal emphasis on quality and scale”. The Company continuously upholds the values of simplicity and reliability, customer orientation, pursuit for excellence, and mutual achievement. With focus on the life-cycle needs of people and cities, it continuously upgrades service quality to satisfy customers and provides detailed, thorough, considerate and efficient property management services and value-added services to diversified customers. In the meantime, we have always taken social and public well-being as our own responsibility, keep looking for a model of fulfilling social responsibility that organically combines core competitiveness with solving social needs in the process of development, insist on carrying out public welfare activities regarding poverty alleviation and community care, and actively undertake corporate social responsibility.



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2.3 Honours and Awards

As a long-established property management service provider, DOWELL provides a wide range of services for residential and non-residential properties to enhance customer satisfaction and loyalty. Our work has also been recognised by the public and we won a number of honours and awards for our property management services during the Reporting Period. Our honours and awards in the Year include:

Honours and awards

Rank the 20th among the “2021 Top 100 Property Management Companies in China”* (2021中國物業服務百強企業) in terms of overall strength

2021 leading property management company for service satisfaction* (2021物業服務滿意度領先企業)

2021 top 10 companies in providing urban services* (2021城市服務TOP10企業)

2021 top 10 companies in providing hospital property services* (2021醫院物業服務力TOP10企業)

2021 top 10 companies in providing park property services* (2021園區物業服務力TOP10企業)

“Top 100 Property Service Companies in 2021” (2021物業服務力百強企業)

Awarding entities

Information Technology Research Institute of Beijing China Index Academy* (北京中指信息技術研究院)

CRIC Property Management* (克而瑞物管) and Shanghai E-House Real Estate Research Institute (上海易居房地產研究院) and China Real Estate Appraisal (中國房地產測評中心)

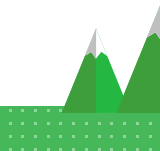
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* For identification purpose only



Honours and awards

2021 top 30 property service companies in terms of comprehensive strength in China* (2021中國物業服務企業綜合實力TOP30)

2021 top 10 property service companies in operational capability in China* (2021中國物業服務企業運營能力十強)

2021 top 20 property service companies in brand value in China* (2021中國物業服務企業品牌價值二十強)

2021 top 50 property service companies for customer satisfaction in China* (2021中國物業服務企業客戶滿意度模範企業五十強)

Awarding entities

EH Consulting* (億翰智庫) and Jiahe Jiaye* (嘉和家業)

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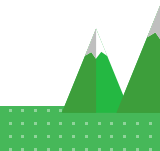
3. SUSTAINABLE DEVELOPMENT STRATEGY

3.1 Board Statement

An ESG governance framework has been established to strengthen the Group's management of sustainable development. The Board has overall responsibility for the Group's sustainable development strategy and reporting, and is responsible for regularly overseeing the Group's ESG issues, performance, climate risks and opportunities, and regularly reviewing, discussing and approving the Group's ESG management approaches, strategies and risks. The Board has approved the establishment of an ESG working group to determine the Group's ESG management approaches and strategies through materiality assessment and collection of ESG issues of concern to stakeholders. In the meantime, we have set directional environmental targets and are moving towards them. The goals can demonstrate the achievements from the Group's ESG policies and management strategy. We will review the progress made against ESG-related targets in the future, to improve the relevant policies and sustainable development work according to the progress of the goals.

3.2 ESG Governance Structure

We actively fulfill our corporate social responsibilities. In order to integrate ESG concepts into its management approaches, strategies, business plans and policies, the Group has established an ESG governance structure covering all levels of the Group, including decision-making level, organisational level and executive level, and has clarified the responsibilities of each level in the ESG governance structure. The Board decides and supervises the ESG management approaches, strategies, objectives and overall tasks of the Group, authorises the ESG working group led by senior management to formulate ESG management approaches, strategies, objectives and tasks, and promotes and monitors the implementation of ESG policies and tasks by all relevant departments to ensure the implementation of ESG strategies, objectives and tasks in the daily operations and businesses of the Group. The following is the Group's ESG governance structure and the roles and main responsibilities of each level:



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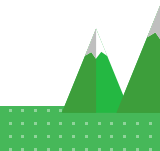


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3.3 Stakeholder Engagement

The Group strives to maintain close communication with stakeholders, and establish and maintain good relationships with customers, shareholders/investors, employees, business partners, regulatory authorities, communities/non-governmental organisations, peers, suppliers, external counselors, etc.. We communicate with stakeholders through a variety of channels, listen carefully and identify their expectations and demands on the Group's ESG performance to improve our sustainable development strategy. The table below summarises our communications with major stakeholders during the Reporting Period.

Major stakeholders	Major concerns/ expectations	Major communication channels
Customers	<ul style="list-style-type: none"> • Customer privacy protection • Service quality • Health and safety of products and services 	<ul style="list-style-type: none"> • Customer satisfaction survey and comment form • Customer advisory group • Customer Service Centre • Visits by customer relationship manager • Activities to increase customer loyalty • Daily operation/communication • Online service platform • Phone/email
Shareholders/ investors	<ul style="list-style-type: none"> • Economic performance • Risk management • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Annual general meeting and other general meetings • Interim reports and annual reports • Corporate communications such as letters/circulars to shareholders and notices of meetings • Results announcements • Shareholders' visits • Investor meetings • Senior management meetings • Meetings and interviews
Employees	<ul style="list-style-type: none"> • Employees' rights and interests • Employee health and safety • Provision of competitive compensation and incentive system • Optimisation of the training and development system • Employment relations and employee communication 	<ul style="list-style-type: none"> • Employee opinion survey • Performance appraisal • Meetings and interviews • Business briefings • Special advisory committee/panel • Seminars/workshops/lectures • Publications (e.g. employee newsletters) • Employee communication conferences • Employee intranet



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Major stakeholders	Major concerns/ expectations	Major communication channels
Business partners	<ul style="list-style-type: none"> • Intellectual property protection • Response to policies and participation in industry exchanges • Business ethics • Information security 	<ul style="list-style-type: none"> • Reports • Meetings • Visits
Regulatory authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Prevention of corruption risks • Information security 	<ul style="list-style-type: none"> • Meetings • Written response to public consultation • Compliance reports
Community/ non-governmental organisations	<ul style="list-style-type: none"> • Participation in charity and volunteer activities 	<ul style="list-style-type: none"> • Volunteer activities • Community activities • Seminars/lectures/workshops
Peers	<ul style="list-style-type: none"> • Response to policies and participation in industry exchanges 	<ul style="list-style-type: none"> • Strategic cooperation projects • Communication conferences
Suppliers	<ul style="list-style-type: none"> • Supply chain management 	<ul style="list-style-type: none"> • Supplier management programme • Supplier/contractor evaluation system • Meetings • Site visits
External counselors	<ul style="list-style-type: none"> • Compliant employment 	<ul style="list-style-type: none"> • Working groups



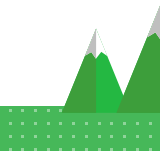
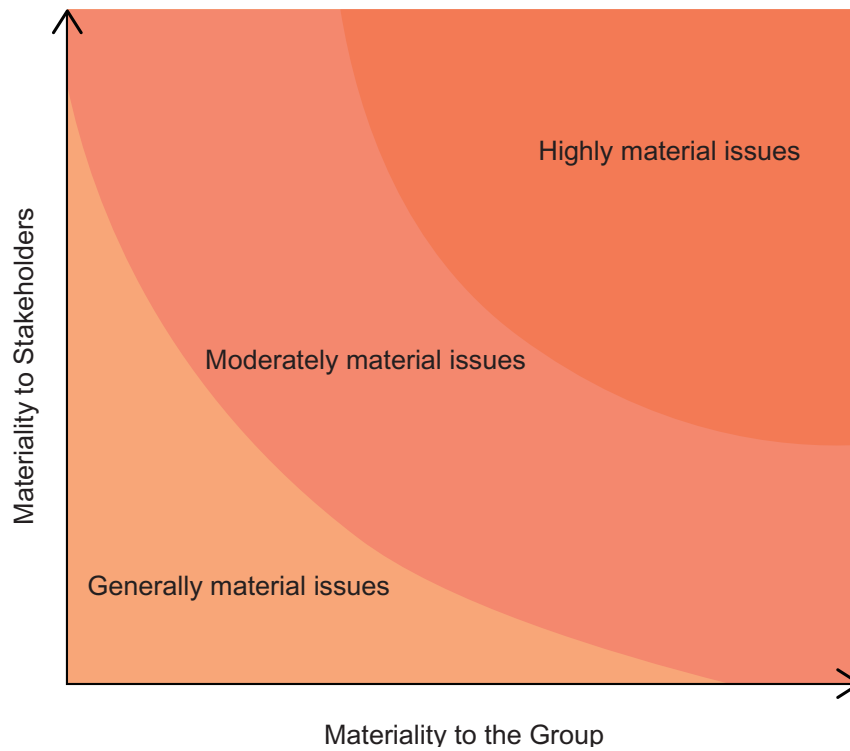


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3.4 Materiality Assessment

During the Year, DOWELL conducted an ESG materiality assessment to establish the material scope of the Group's ESG practices and disclosures in response to stakeholders' expectations. We communicated with stakeholders through online questionnaires. Taking into account our business development objectives, actual operations and situation, we identified 24 material issues applicable to our businesses, including 14 highly material issues, 7 moderately material issues and 3 generally material issues, with reference to the disclosure obligations set out in the Guide and the library of materiality issues of the Sustainability Accounting Standards Board ("SASB"). According to the importance of these issues, we made different levels of key disclosures in the Report, and took them as important considerations when formulating ESG strategies and policies. The results of the Year's materiality assessment are as follows:

2021 DOWELL's Materiality Matrix



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Material ESG issues	Material issues
Highly material	Product and service quality
	Customer satisfaction
	Compliant employment
	Customer privacy protection
	Prevention of corruption risks
	Intellectual property protection
	Employees' rights and interests
	Provision of competitive compensation and incentive system
	Optimisation of the training and development system
	Employees' health and safety
	Greenhouse gas emissions management
	Waste management
	Water resource management
Energy management	
Moderately material	Responsible marketing
	Health and safety of products and services
	Supply chain management
	Business ethics
	Employment relations and employee communication
	Participation in charity and volunteer activities
	Promoting the development of intelligent property services
Generally material	Response to policies and participation in industry exchanges
	Product design and lifecycle management
	Climate change



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4. CUSTOMER ORIENTATION

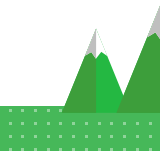
4.1 Quality Assurance

We pursue “customer orientation”, provide customers with high-quality property management services, and value customer satisfaction. We think and act from the perspective of customers and provide them with valuable decisions-making and services. The Group has formulated quality control documents such as the Service Etiquette Standard, the Quality Control System, the On-site Inspection Operation Guide and the Quality Red Line Management System, in order to ensure that its services can satisfy customers.

The Group’s quality control work is arranged and supervised by the Group and the Operational Quality Centres in different regions. The Group’s Operational Quality Centre prepares an annual quality work plan, based on which the Operational Quality Departments of regional companies establish Regional Annual Quality Work Plans that are submitted to the Group’s Operational Quality Centre for approval. Regional Quality Centres also need to formulate Satisfaction Improvement Plans, Sprint Plans, service standards for key positions, etc., and submit them to the Group’s Operational Quality Centre for review. The Group’s Operational Quality Centre summarises and publishes the Quarterly Quality Inspection Report covering professional evaluation of projects, overall quality in customer touch points and so forth. Quality inspection is divided into three levels: Group, region, area/project, and is regularly carried out on customer service, engineering, order, environment, etc. from time to time. The Group regularly holds quality analysis meetings and proposes rectification. We also hand out rewards and punishments based on the results of the quality inspection according to the Reward and Punishment Management System of the Company.

In order to provide customers with a safe and comfortable living and working environment, we have formulated the Safety Inspection Operation Guide and the Main Contents and Standards of Inspection in Public Areas to ensure that facilities can provide the best, safest and hygienic performance. We earnestly implement the cleanliness and safety protection work in each park, and employees must regularly check all public locations of properties, including corridors, greenery belts and recreational facilities, on a daily basis. In case of any damage, loss, leftover waste or other problem arises, inspectors must deal with them immediately or inform the responsible unit to deal with them. We also strengthen security and inspections on peak dates, such as National Day and New Year’s Day. The Group conducts regular inspections on the fire control facilities in parks to ensure the normal operation of the facilities, the safe use of fire and electricity and so forth. If there is a need for rectification, the relevant units will be responsible.

The image of our employees represent the image of the Group. Clear standards have been established to standardise the clothing, words and manners of employees. During the daily inspection of properties, employees should pay special attention to the ongoing construction sites, the problems that were previously rectified, and the incidents reported or complained about by customers. A problem must be dealt with in time, if any. If it cannot be dealt with, the person in charge must be notified and coordinate resources to deal with it.



4.2 Customer Services

The Group cares about the needs of its customers and solves their problems in a timely and professional manner. We have established a Complaint Management System to provide quality services for customers. Customers can complain to us through different channels, such as telephone, service centres and direct feedback to employees. Employees should handle complaints “by putting themselves in the customer’s shoes, empathy and timeliness”. The person in charge of complaints should verify the situation and contact customers within 24 hours to resolve the incidents. We will give feedback to customers and propose rectification plans within 48 hours. Depending on the type of complaint, we will have a dedicated department head to oversee the handling of the complaint. After handling the complaint, we will obtain customer feedback and enquire their satisfaction of the rectification. If compensation is involved, the compensation plan shall be examined and approved level by level according to the rights and responsibilities of the department. After the handling is completed, the person in charge will prepare a case analysis and share the case at the monthly report and analysis meeting.

During the Year, the Group received a total of 688 complaints about its services and products, all of which were properly handled.

5. COMPLIANCE OPERATIONS

5.1 Information Management

The Group strictly complies with the relevant laws and regulations, including the Administrative Measures on Internet Information Services, and formulated systems, including the Information Security System, the Personnel Information Security Management Standard, the Data Security Management Standard, the System Change Management Standard, the Account and Permission Security Management Measures and the Machine Room Security Management.

We clearly stipulate the daily information management standards for employees. Any employee shall not use the Internet to engage in activities endangering national security or illegal activities, transmit Company information to third parties, download Company data outside the office, damage systems, or use non-company equipment to back up data, etc.. The Group provides information security training courses for new recruits.

We protect all of our Company’s information and all information needs to be scanned for security before being published online. Special inspections will be conducted for unreliable data. Employees shall encrypt data during information transmission. We make remote backups for our applications and data. All data is encrypted and stored in a secure environment and media to prevent information leakage. We set information access rights for different employees by rank, and also install firewalls and anti-virus software on the server. With a log management model adopted, and any information access, management, operation, audit, inspection and other activities are recorded. Any request for information to be shared internally or externally must be approved. We review the background and security qualifications of third-party information partners to reduce risks.

The Group’s Information Management Centre carries out compliance checks and security risk assessments on the Group’s information. It also appoints a third party to carry out security assessments on the Group’s systems and propose improvement solutions for problems found.



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Information Release Management

In order to standardise the release of information, the Group has established systems such as the Document Management System, the Media Relations Management System and the Brand Database Management System to strictly regulate and monitor the information released by the Group to ensure the accuracy and consistency of data and maintain the Group's brand value. The Group's Brand Management Department is responsible for establishing its brand database. All departments need to update the information in the database in real time to ensure the accuracy of the data and facilitate timely use by all departments. The information includes Group/regional introduction, product/brand introduction, brochures and honour information. All external materials need to be archived and updated on a regular basis. The Group carries out a brand inspection for the archived data to ensure the accuracy of the data.

During the Year, there were no disputes regarding advertising and information promotion brought against the Group.

Protection of Personal Data

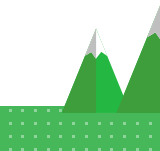
The Group strictly implements measures to protect personal data. When collecting personal data, we make clear to customers the purpose, method and scope of data collection. We can use personal data only with customers' consent. The Group uses the personal data of customers in the online operation services of specific projects and users. We do not collect personal data unrelated to our services, including income, savings, belief and genetics. All employees shall not disclose or illegally sell personal data. Encryption is used during the storage of data, and employees' right to access data is limited. We regularly conduct security inspections on the machine room and server to avoid data security incidents.

During the Year, there was no personal data leakage or related lawsuits against the Group.

5.2 Supplier Management

The Group's procurement mainly involves property management services, including cleaning, security, landscaping, repair or maintenance services. The Group has formulated the Procurement Management System, the Supplier Management Measures and other documents to standardise its procurement and supplier management. The Group upholds the principles of integrity, fairness and impartiality in procurement to ensure the transparency of the entire procurement process. According to its future development, the Group has formulated different annual and monthly procurement plans, which improves procurement efficiency, optimises resource use and reduces costs. Multiple parties participate in the procurement process, which are responsible for technical, proposal review, business analysis, negotiation, etc..

The Group's procurement strategy is mostly carried out in the form of tender, and certain conditions must be met prior to direct engagement. The number of tenders depends on the procurement form and the number of tenders. Generally, there will be no less than 3 suppliers. The Group adopts different procurement methods as the case may be, including invitation for tenders, simple tendering, direct engagement and price comparison. Units under the Group's Operational Quality Centre, including Procurement Management Group, Procurement Leading Group, Procurement Working Group and Tender Evaluation Committee, are responsible for the Group's procurement decisions and related decisions, coordination and management. Procurement must be made with the approval of all members of the Procurement Leading Group within the scope of authority.



Before tendering, it holds a kick-off meeting or a tender-entry meeting to determine the procurement requirements. The Bid Evaluation Committee will fairly evaluate the commercial and technical aspects of the tendering documents according to the tender evaluation standards and methods set out in the kick-off meeting. If any tenderer is found to engage in collusive tendering, falsification, bribery and other illegal acts, the tender will be regarded as invalid. We require suppliers to maintain integrity in their operations, and suppliers must sign the Integrity Cooperation Agreement when they decide to cooperate with us.

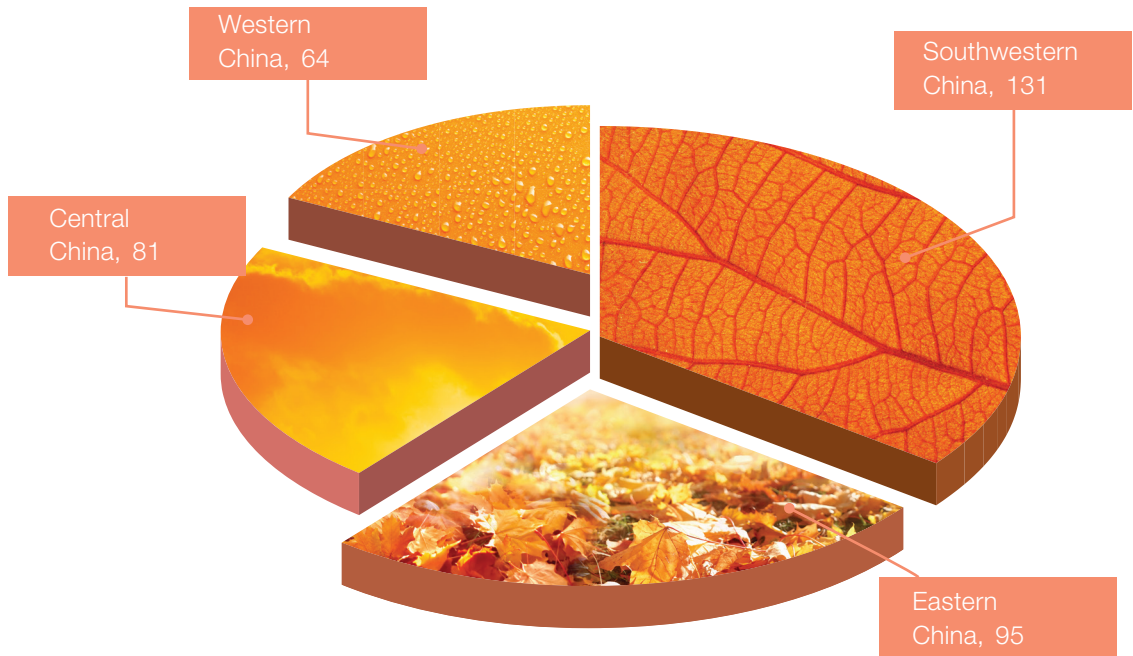
In order to continuously provide high-quality services, we regularly evaluate the performance of our suppliers to ensure that their performance meets our standards. The Procurement Department is responsible for the management of suppliers of the Group, and a list of qualified suppliers has been established, from which suppliers are selected. We review the suitability of suppliers through data review, meeting exchange and on-site evaluation on their business conditions, technical measures, management systems, etc.. We also check whether a supplier has any record of dishonesty through the National Enterprise Credit Information Publicity System. Qualified suppliers are added into the list and undergo a performance evaluation at least once a year. The performance evaluation shall be conducted in a true and objective manner and according to the qualification, scale, ability, quality and other aspects of the suppliers. Suppliers with the highest scores are given priority, while those with low scores may be restricted from cooperation or be blacklisted. If one or more quality accidents involving suppliers happen during the Year, or it/they affect the reputation or brand of the Group, suppliers will be downgraded and their cooperation will be cancelled. We adopted an online procurement system during the Year, on which the information is updated simultaneously with business inquiry platforms, enabling automatic review of suppliers' information, legal risks, etc.. We reviewed and monitored all suppliers during the Year.

We implement green procurement and formulate relevant procurement policies, in a bid to advocate the principle of green operation. The products and services we purchase must meet the requirements of environmental protection regulations. In the case of cost-effectiveness, we purchase products that do not have an impact on the environment. The Group closely oversees the performance of suppliers in environmental, social and compliance operations to ensure compliance with regulations. For instance, suppliers must follow anti-bribery requirements.



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During the Year, we appointed a total of 371 suppliers that provided materials, services, engineering services, etc.. The number of suppliers by geographical region is as follows:



Number of suppliers by geographical region

5.3 Integrity in Operations

The Group strictly complies with relevant laws and regulations, including the Anti-Money Laundering Law of the PRC, the Company Law of the PRC, the Securities Law of the PRC and the Rules Governing the Listing of Securities on the HKEX, and has formulated a number of systems regarding corruption-free operation, including the Anti-Money Laundering Management System, the Internal Audit Management System and the Conflict of Interest Management System. We organised anti-corruption training for employees during the Year, and introduced the Group's anti-corruption code, integrity awareness, integrity monitoring, reporting channels and case analysis to employees, in a bid to give employees a clearer understanding of the Group's anti-money laundering work and risk management system. New employees are required to read the Standards on Eight Prohibited Conducts and receive relevant training. Directors are required to sign the Conflict of Interest Statement to ensure that they meet the requirements on conflicts of interest and anti-corruption in the statement.



Illegal acts like corruption are strictly prohibited. The Group clarifies illegal acts in the Standards on Eight Prohibited Conducts, including accepting bribes, illegally embezzling property, using the Company's resources for personal gain, harming the Company's interests for personal gain, falsifying documents or statements, leaking the Company's secrets, engaging in business activities beyond the scope of authority and withholding matters that should be reported to the Company. In addition to complying with integrity codes, employees are also required to declare the interests of themselves or their relatives, such as employees or their relatives renting the Group's shops and employees recommending relatives or friends to take up positions in the Group, to avoid unnecessary conflicts of interest.

The Risk Management Centre is responsible for the declaration of interests of senior officers, including directors, supervisors and senior management members. For example, if senior officers have any interests, connected transactions, exercise of duties, competitive activities or receipt of gifts with any company with which the Group has business dealings or competitors, they must take appropriate action, such as resigning from relevant positions, handing over gift money or taking the initiative to report benefits to the Group. The Audit Committee of the Company will review and approve the declaration, and request further supplementary information or conduct investigation according to the situation.

In order to prevent the occurrence of any corruption incidents, all units shall provide relevant certification documents in compliance with laws and regulations when conducting business transactions with the Group. We also sign the Integrity Cooperation Agreement with cooperators to ensure that the two parties cooperate in a fair, open and honest manner. All departments need to analyse large transactions every day. If there is any obvious discrepancy, the relevant transactions should be recorded and submitted to the Risk Management Centre for review. After review, the Risk Management Centre must report any suspected criminal transactions to the local public security organ. We hold training activities for employees responsible for anti-money laundering work to enhance anti-money laundering capabilities. The Risk Management Centre also monitors, assesses and inspects the work on a regular basis to ensure that the work is carried out effectively.

We have also established integrity reporting channels and set up a variety of reporting methods for employees to report illegal incidents to our integrity monitoring team. The personal information of the whistleblower will be kept strictly confidential. We will strictly follow up the reports to ensure integrity in our operations.

During the Year, there was no concluded legal case regarding corrupt practices brought against the Group or its employees.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5.4 Intellectual Property Management

The Group, which strictly complies with relevant laws and regulations, including the Trademark Law of the PRC, the Patent Law of the PRC, the Copyright Law of the PRC and the Measures for the Registration of Computer Software Copyright, formulated the Intellectual Property Management System, the Copyright Management Measures, the Trademark Management Measures and the Patent Management Measures. Intellectual property generally refers to assets such as trademarks, patents, copyrights and trade secrets. The Risk Management Centre is responsible for the management, supervision and declaration of intellectual property of the Group, the Brand Management Department is responsible for some intellectual property-related work, such as the design and management of trademarks, while the Information Management Centre is responsible for the management of software copyrights and shall timely submit the declaration materials to the Risk Management Centre.

All employees must sign the Confidentiality Agreement when joining the Company, in a bid to protect the intellectual property of the Group from infringement. All intellectual property created by employees, due to their positions, belong to the Group. If the Group entrusts a third party to design a trademark or related work, it will sign an entrustment contract with the third party and clearly indicate that the copyright and trademark right belongs to the Group. If the Group cooperates with a third party in the patent research and development, it will sign a cooperation agreement with the third party and determine the patent ownership. All persons or employees involved in the development and design must maintain confidentiality until the respective intellectual property rights are published or the copyright application is approved.

The Group has established a preview system for registration of intellectual property, in order to ensure the quality and management of intellectual property development and design. All application plans and supporting documents about patents, trademarks and software copyrights shall be submitted to the Risk Management Centre for review and approval, after which the Group can apply for intellectual property by itself or entrust a third party to file the application. Following the successful registration of intellectual property, it will be managed by the Risk Management Centre. All departments must use the intellectual property and protect it from infringement according to the provisions of the registration certificate. We will regularly review the term of a type of intellectual property, renew or pay annual fees for the intellectual property to protect our rights and interests.

Any unauthorised transfer is strictly prohibited. In case of transfer of a type of intellectual property due to business needs, the Group's legal and financial staff shall evaluate the intellectual property. The relevant procedures can be implemented only after confirmation. Any transfer must be approved prior to the signing of a transfer contract. The Group must go through the procedures for change of registration with China National Intellectual Property Administration.



No one is allowed to transfer or use the copyrights of the Group without approval. If a third party needs to use the copyrights, it must sign a contract or agreement with the Group before approval. We will also monitor the use of the copyrights to ensure that works are not distorted or altered. The use of trademarks must follow the principle of “register first, use later” to avoid infringement. All trademarks used by the Group must be documented and archived, including any packaging materials, containers, instructions, advertisements and trademark licensing contracts. If we need to use the patent of a third party, we will take the initiative to sign a contract with the third party and register with the relevant certification body.

In case of any infringement of intellectual property rights of the Group, employees must report to the Risk Management Centre in time and the Risk Management Centre’s staff or legal staff will collect evidence or initiate a lawsuit. Rewards will be offered to employees who report successfully.

6. TALENT MANAGEMENT

The Group strictly complies with relevant laws and regulations, including the Labour Law of the PRC, the Labour Contract Law of the PRC, the Implementation Regulations for the Labour Contract Law of the PRC, the Interim Regulations on Labour Dispatch, the Interim Regulations on Human Resources Market, the Social Insurance Law of the PRC, the Law on the Protection of Minors of the PRC and the Provisions on the Prohibition of Using Child Labour of the PRC. We have formulated the Employee Handbook, which describes the policies and codes of conduct related to employees. The Group respects the rights and interests of employees, creates an equal, inclusive, healthy and safe working environment for employees, and avoids any discrimination based on gender, marital status, age, race, color, disability and religion. As at 31 December 2021, the total number of employees was 4,170. Please refer to Appendix I for details.

6.1 Recruitment

We have formulated the Recruitment and Employment Management System, with which we ensure the unification, standardisation and specialisation of recruitment through systematic management. We timely select and cultivate talents that meet the needs of the Company’s business development. Our methods of attracting talents include internal recommendation, campus recruitment, experienced recruitment and internal competition. When recruiting talents, we adhere to the principles of fairness, impartiality and openness, and give all applicants equal opportunities. At the same time, the principle of internal priority is used to select and promote employees who meet the requirements of positions. The principle of avoidance is adopted. During the recruitment process, employees who are families and friends of applicants should be avoided, making the recruitment system fairer. In terms of resignation management, the Human Resources or Employment Departments will conduct an exit interview, review and approve resignation applications, arrange work handover and handle final resignation procedures with employees after they express intention to resign.

Policies have been in place to prevent child labour and forced labour. Background checks will be carried out on applicants, including their identity, education background, work experience and adverse record. In the event of any false or inconsistent information, applicants will not be hired. The Group clearly stipulates the commuting time and working hours in the Employee Handbook. We do not encourage employees to work overtime. If employees need to work overtime, they must apply for and obtain approval in advance. We pay overtime to employees. If any irregularities are found during the employment process, we will deal with them according to the relevant laws.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Year, the Group did not use child labour, nor did it violate any laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, equal opportunity, diversity, anti-discrimination, and prevention of child labour or forced labour.

6.2 Compensation and Welfare

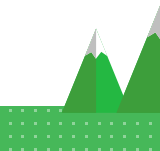
The Group complies with relevant laws and regulations, including the Social Insurance Law of the PRC, the Interim Regulations on the Collection and Payment of Social Insurance Premiums, the Regulation on Work-related Injury Insurance, the Regulation on Unemployment Insurance, the Trial Procedures for Maternity Insurance of Enterprises' Employees, the Plan for Reforming National and Local Taxation, as well as the Regulations on Management of Housing Provident Fund. The Compensation and Welfare System was formulated to set up a complete security system for employees' compensation and welfare. We conduct remuneration surveys every year, based on which our remuneration system is established and adjusted.

An employee's remuneration consists of base salary, benefits, profit, performance bonus and other incentives. The Group adjusts the remuneration of its employees on the basis of fairness and confidentiality. The remuneration of employees changes due to the transfer of positions such as promotion, and is adjusted according to the principles of marketisation, budget control, differentiation, performance evaluation results, etc..

In addition to regular pay adjustments, we have a number of benefit schemes in place to cater for the needs of our employees. We provide five forms of social insurance and one housing fund (i.e. pension insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance, and housing provident fund) and paid annual leave. Employees also enjoy benefits such as communication subsidies, transportation subsidies, holiday/birthday compensation, transfer subsidies, marriage leave, paternity leave, maternity leave, bereavement leave, medical examination, start-up red packet and housing discounts. Employees can even enjoy special offers, such as holidays for female employees, gifts or compensation allowances for special events like marriage, childbirth or the death of employees' immediate family member.

6.3 Promotion and Assessment

We help each employee design a good career plan based on scientific career assessment methods, and provide a good career channel for outstanding employees through promotion, job rotation, etc.. Employees can use the Company's resources and platforms to position themselves and discover their core strengths and occupational interests. Employees' immediate superiors and the Human Resources Department will assist them in setting appropriate career goals and achieving their development goals.



The Group has set up a performance management system, in which performance appraisal is based on performance-oriented results evaluation, with reference factors including but not limited to annual performance task objectives, temporary work tasks and behaviours to achieve the objectives. Management and professional employees are assessed on key performance indicators/tasks and cultural competence, while service employees are assessed on job completion and implementation of work standards/requirements and cultural competence. Cultural assessment is an internal unified standard to form cultural values in practice evaluation, and an important indicator to judge the suitability of employees' workplace culture. It is linked with talent succession and talent development.

Our performance appraisal follows the four principles of results orientation, comprehensive consideration, normal distribution and seriousness of results. The Group conducts performance appraisal under the unified time, standard and procedure, and takes various opinions into consideration under open, just and fair standards. Employees are assessed based on their performance results. The performance appraisal results of each business unit should follow the normal distribution.

The performance appraisal results can be applied in four aspects. Firstly, performance is linked to income, and the results are the basis for the determination of a fair performance-oriented compensation and performance incentive package. Secondly, appointment development plans are made based on performance and ability, and employees are transferred and promoted according to position demand, the Company's development scale, suitability with corporate culture, etc.. Thirdly, the results are used as the basis for formulating later development plans with superiors. Finally, the results are used to conduct personnel inventory, formulate succession plans and develop development plans. The Group established a promotion and assessment system to motivate employees and improve their efficiency, thereby enhancing the competitiveness of the Group.

6.4 Employee Training

The growth of employees is the growth of DOWELL. In order to provide timely high-quality services to our customers and enhance our competitiveness, we create a good employee growth and development platform through a series of systematic training for employees.

The Human Resources Department organises induction training for new employees, mainly introducing the Company's history and prospects, rules and philosophy. The Human Resources Department has also formulated an annual employee training program to provide comprehensive training in management, finance, leadership, law, communication, coordination, etc., as well as professional training in personnel, finance, operation, legal affairs, etc.. We adopt scientific career assessment methods to provide training that caters to the needs of employees. Employees can use the Group's platform to define their roles. The immediate superiors and the Human Resources Department assist employees in setting goals, discovering their strengths and interests and achieving their goals.

During the Year, the Group held a number of training activities, including YOU Butler certification camp, Training the Trainer to Train (TTT), the 20th Xingyuan club, twinkling star programme and occupational safety training.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Elite club for managers

We launched a number of managers' training camps to improve management capabilities and cultivate high-quality talents for business development, in a bid to respond to the rapid development of the Group and meet the increasing demand for management.



Graduation ceremony for members of the elite club

6.5 Occupational Safety

With great importance attached to the health and safety of its employees, the Group strictly complies with national laws and regulations, including the Production Safety Law of the PRC and the Law on Prevention and Treatment of Occupational Diseases of the PRC. We laid up the Management Measures for Work-related Injury of Employees, which clarifies the level of work-related injury, routines for handling the accidents, arrangements for medical treatment, standards on penalties for responsible work-related injury, etc., with a view to preventing and reducing the risk of work-related injury, standardising the handling process for work-related injury, and improving the safety awareness of employees. During the medical treatment period of employees injured at work, their monthly salary will be paid in full, partly subsidised by the work injury insurance fund or commercial insurers. If an employee needs nursing care during hospitalisation, the department where the employee works at will arrange nursing care. If an employee has his/her disability level assessed and the labour ability appraisal committee confirms that he/she needs nursing care, the work injury insurance fund or commercial insurers will pay the nursing care fee on a monthly basis. Employees injured at work will receive disability benefits in accordance with the Regulation on Work-related Injury Insurance and the Measures for Implementation of Work-related Injury Insurance in Chongqing after their disability level is assessed by relevant department.

A series of measures have been in place to ensure a safe working environment. Employees are not allowed to bring any person unrelated to the work into the workplace without prior approval from the Company. Employees should smoke in designated places. Smoking in non-smoking places is not allowed. Finally, we pay attention to the physical and mental health of our employees. We arrange regular medical examinations for employees every year.

6.6 Pandemic Prevention and Control

In response to the outbreak of coronavirus disease 2019 (“COVID-19”), the Group has fully implemented relevant governmental measures at all levels of property management, integrated pandemic prevention and control measures into daily property management services, and maximised the prevention and control of COVID-19 in property management areas. We formulated the Guide for Prevention and Control of COVID-19 of the Company and the Pandemic Emergency Response Plan to standardise material security, waste management, publicity management, ventilation management, access control, emergency response, etc. We require employees to have their body temperature measured and recorded every day. Employees whose body temperature exceeds 37.3 degrees Celsius are not allowed to work. We require employees who have stayed in the areas where an outbreak occurred and employees who have close contact with the people in the affected areas to report their information and undergo 14 days’ quarantine, which shall be registered, tracked and observed. Employees can only work if there is nothing abnormal. Project managers are trained in the characteristics of the outbreak, the use of medicines and tools, self-protection and other aspects to better respond to the outbreak. Moreover, we clean and disinfect key areas, including elevator halls and elevator cars, lobbies, fire exits, outdoor facilities, parking lots, offices and toilets.



Inquire visiting customers every day at stores, take and register their temperature and check health codes



All-round and deep disinfection

6.7 Employee Activities

Apart from providing a comfortable working environment for our employees, we also organise a number of employee activities to enhance cohesion among employees and cohesion to us, reduce their stress at work and improve their physical and mental health.



2021 DOWELL journey of the heart

In order to strengthen the corporate culture of the Group, it holds offline activities for all employees every year, calling on employees to outdo themselves and rise to various challenges with enthusiasm and fighting spirit.



2021 journey of the heart

Dima Holdings' football match

In order to strengthen the cooperation and communication with other enterprises, and enhance the physical fitness and competitive spirit of employees, we set up our own football team and cheerleading team to participate in the football matches of Dima Holdings Co. Ltd* (迪馬實業股份有限公司).



Football match

* For identification purpose only



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

7. COMMUNITY CONTRIBUTION

The Group focuses on the development of communities, cares about the needs of people in communities, cares for the needs of the elderly, cares about the development of children, and provides the materials and warmth they need. Employees and owners work together to actively organise and participate in community activities, create shared community life and give back to communities through practical actions.

DOWELL Service is building green residential areas. Through Our Space, it actively promotes low-carbon mobility, responds to the ban on plastic, waste utilisation, waste classification and other calls, and takes actions to set a new benchmark for green communities. We organised Arbor Day-themed activities in 6 cities across the country, fun camping activities for community children and lawn parties in communities, through which we advocated a low-carbon lifestyle without travel. We held a green reading activity to publicise a new experience of environmental protection. Through “One book for one tree” activity, we donated more than 1,200 plants to property owners in the winter. We launched a spring-themed campaign, and flowers bloomed in the communities in spring.

During the Year, we invested a total of RMB316,700 and held about 160 hours of community activities, with the participation of 45 employees.

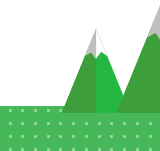
2021 Enfu orange charity activity

We teamed up with Dima Foundation and SF Express to hold the Enfu Orange Charity Campaign on 26 November. Since its launch in 2018, the activity has expanded to benefit multiple villages instead of some families. We help revitalise rural industries through a series of community development projects such as building facilities, donations, industrial assistance and poverty alleviation.

We provide fruit farmers with a series of sales services, from picking, fruit selection, weighing to delivery, which are conducted by our volunteers. We also help market fruits in livestreams.



2021 Enfu Orange Charity Campaign



8. GREEN OPERATION

DOWELL attaches great importance to the possible impact of its operations on the natural environment. With the environmental management systems certification (GB/T 24001-2016/ISO 14001:2015), we continuously improve measures related to green operation, promote low-carbon services, encourage employees to save energy, actively promote climate change management, striving to reduce the negative impact on the environment. As an active response to our call of “increasing income and reducing expenditure to cut costs and increase efficiency”, we issued the Notice on Administrative Control and Promotion of the Company to Reduce Costs and Increase Efficiency to all of our functional centres and subsidiaries, and established specific measures to control cost and increase efficiency. We actively implement our systems and measures for reducing greenhouse gas emissions, reducing waste, saving energy, saving water and so forth. We will maintain or gradually reduce greenhouse gas emission intensity, waste generation intensity, electricity and water use intensity at similar operating levels in the future.

During the Reporting Period, the Group did not violate any laws and regulations related to environmental protection.

8.1 Emission Management

The Group strictly complies with laws and regulations related to environmental protection, including the Environmental Protection Law of the PRC, the Law on the Prevention and Control of Atmospheric Pollution of the PRC, the Law on the Prevention and Control of Water Pollution of the PRC, and the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the PRC.

Greenhouse gas emissions

Greenhouse gas (GHG) emissions include direct emissions (Scope 1) and indirect emissions (Scope 2). Scope 1 refers to direct GHG emissions from sources owned or controlled by the Group, including GHG emissions from stationary combustion sources and vehicles, while Scope 2 refers to the GHG emissions indirectly generated by the Group’s use of purchased electricity, i.e. electricity consumption during operations. In view of our businesses, we do not have stationary combustion sources and vehicles, and there are no emissions from gas fuel consumption and vehicles.

In view of the rising global temperature, we sincerely invite all sectors of the community to assist in planting trees on Arbor Day so as to increase the storage of greenhouse gases through the absorption of carbon dioxide by trees. Planting trees can greenify and beautify our country, prevent soil erosion, protect fields, regulate weather and protect ecological balance to continuously improve our living environment.



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As the main GHG emissions of the Group are from electricity consumption, we have taken measures to reduce electricity consumption in our daily operations, details of which are set out in the “Electricity Conservation” subsection under the “Use of Resources” section of the Report. The Group calculates GHG emissions based on the Greenhouse Gas Protocol Initiative convened by the World Resources Institute and the World Business Council for Sustainable Development and the ISO14064-1 standard established by the International Organization for Standardization. For the Year, GHG emissions within the scope of the Report are as follows:

Greenhouse gas emissions	Unit	2021
Direct GHG emissions (Scope 1)	Tonne of CO ₂ e	22.00
GHG reductions from planting of new trees (Scope 1)	Tonne of CO ₂ e	49.80
Indirect GHG emissions (Scope 2)	Tonne of CO ₂ e	19,810.98
Total GHG emissions (Scope 1 and 2)	Tonne of CO ₂ e	19,783.18
GHG emissions intensity (area)	Tonne of CO ₂ e/m ² GFA in '000s	1.49
GHG emissions intensity (person)	Tonne of CO ₂ e/employee	5.70

8.2 Waste Disposal

The Group, which pays close attention to waste disposal, strictly complies with relevant laws and regulations, including the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the PRC, to reduce the impact on the natural environment. All hazardous and non-hazardous wastes we generate come from office operations. Hazardous waste¹ includes ink cartridges, toner cartridges, batteries and fluorescent tubes, while non-hazardous waste mainly refers to domestic waste in offices. We placed special containers for centralised collection of hazardous waste and entrusted a qualified third party to recycle them, aiming to standardise the disposal of office waste. In addition, we use recyclable ink and toner cartridges to reduce the use of disposable and non-recyclable products.

Recycling bins are placed in offices to collect non-hazardous waste that is marked on garbage sorting containers and special transport vehicles according to the Domestic Waste Classification Signs. We will continuously collect and sort solid waste in offices and assess material consumption to reduce overstock, reduce waste of resources and improve reuse rate. The relevant waste generation information for the Year is as follows:

Waste generation	Unit	2021
Non-hazardous waste produced ²	kg	5,250.00
Non-hazardous waste generation intensity	kg/employee	1.24

¹ The hazardous waste generated in the office operations of the Group is a small number of waste toner cartridges and waste ink cartridges, which are recycled and reused by qualified recyclers, and have little impact on the environment. Therefore, the KPI A1.3 (total hazardous waste produced) is not disclosed in the Report.

² The non-hazardous waste generated by the Group is estimated based on day-to-day operations.



8.3 Use of Resources

The Group strictly complies with relevant laws and regulations, including the Energy Conservation Law of the PRC and the Regulations on Management of Urban Water Conservation, and actively implements the measures to save energy and reduce consumption. During the Reporting Period, the Group set preliminary directional targets for energy conservation and consumption reduction. In the future, at similar operating levels, it will maintain or gradually reduce energy and resource consumption and waste production. It will set more specific quantitative environmental targets to promote its sustainable development. As the Group is a property management service provider, it is not involved in the use of any packaging materials.

Water Conservation

As DOWELL's tap water comes from the municipal water supply, there is no issue in sourcing water that is fit for purpose. In order to prevent waste and unnecessary water consumption, we have implemented a number of water conservation measures, including using faucets with infrared sensors and water-saving labels, turning off the faucets after use, repairing dripping faucets immediately, posting water-saving reminders in each washroom, regularly checking meter readings and hidden leaks, and reducing water pressure to the lowest possible level, aiming to increase water use efficiency.

During the Reporting Period, the water consumption of the Group's 10 subsidiaries within the reporting scope was 928,424.76 cubic metres, or 73.86 cubic metres per GFA in '000. As the water consumption at the headquarters office in Chongqing is water used in public areas and cannot be split and calculated, the water consumption data has not been disclosed.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Electricity Conservation

The Group is committed to saving electricity and practicing green operations. Since our main energy consumption is the use of electricity in offices, we carry out energy conservation publicity and education to improve employees' awareness of energy conservation and the initiative and enthusiasm for energy conservation and consumption reduction in daily work. During the Reporting Period, the electricity consumption within the reporting scope was 32,471.69 MWh, or 2.44 MWh per GFA in '000. The following measures have been taken to practice green operation:

illuminating System

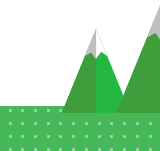
- Using sunlight as much as possible
- Keeping lighting fixtures and lamps clean to maximise their energy efficiency
- An office is divided into a number of different lighting areas, where can be set up independently controlled lighting switches
- Reducing the number of lamps where the brightness is higher than required
- Using energy efficient lamps (e.g. T5 fluorescent lamps and light emitting diodes)

Heating and Air Conditioning System

- Regularly cleaning the filter screen/coil fan
- Installing sealing strips on doors and windows to prevent temperature-regulated air from flowing out
- Reducing the possibility of refrigerant leakage by regularly checking and replacing the connectors of pressure gauges, pressure hoses and air compressors
- Turning off the air conditioner in offices when they are not in use
- Windows are covered with UV-blocking film to reduce heat absorption
- Using split air conditioners with grade I energy efficiency label
- Allowing employees not to wear ties and full suits in hot weather to reduce the use of air conditioners

Electronic Office Equipment

- Putting the computer to go into standby/sleep mode when it is idle
- Turning off electronic devices completely during non-working hours
- Consolidating multiple servers into a single high-capacity server to reduce energy consumption and free up more office space
- Buying electronic equipment with energy efficiency labels



The Group has formulated the Operation Instructions for Energy Conservation and Consumption Reduction of Projects to reduce the loss and waste of energy and resources, and reduce the impact and damage on the environment caused by the use of energy and resources. Working out an energy-saving renovation plan when operating a project, and providing necessary technical resource support for the project. During the Year, we installed time controllers for 256 air conditioners in elevator machine rooms and moved the elevator heating resistors outdoors to reduce the temperature of the elevator machine rooms, aiming to reduce the energy consumption of the air conditioners in the machine rooms while ensuring the safe operation of the elevators. We also installed limit switches in the fire doors of the machine rooms, and solved the energy waste caused by forgetting to turn off lights in the machine rooms through transformation.

Paper Conservation

To implement a paperless office, we have taken the following measures:

- Reusing paper or using double-sided printing whenever possible
- Posting signs prominently next to photocopiers/printers to remind employees to use double-sided photocopying or to use recycled paper
- Regularly monitoring print volumes and setting print quotas for users where feasible
- Building recycling stations to collect paper documents such as waste paper, posters, letters and envelopes
- Regularly calculating the amount of paper used to monitor paper consumption and take appropriate corrective actions

During the Reporting Period, the paper consumption within the reporting scope was 7,214.18 kg, or 1.72 kg per person.

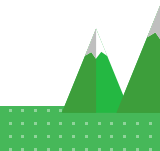


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

8.4 Response to Climate Change

The Group attaches great importance to the operational risks caused by climate change, and also carefully examines the impact of its businesses on the climate. It takes the initiative to assume environmental responsibilities through actions like green office, green operation and green publicity. With reference to international standards and according to industry characteristics and development trends, the Group has identified the following climate change-related risks and established corresponding countermeasures.

Categories and descriptions of climate risks	Potential consequences	Countermeasures
Acute risks (e.g. flooding, super typhoon, storm surge and extreme rainfall)	<ul style="list-style-type: none"> Supply chain disruption and impact on demand Damage to infrastructure and facilities Increased operating costs due to maintenance of damaged facilities 	<ul style="list-style-type: none"> Formulation of Disastrous Weather Handling Plan and Earthquake Disaster Handling Plan Provision of disaster response training to employees Launch of disaster drills for employees
Chronic risks (e.g. extremely hot weather and sea level rise)	<ul style="list-style-type: none"> Rising electricity use demands and operating costs due to increased cooling demand Drop in productivity Flooding caused by rising sea levels 	<ul style="list-style-type: none"> Close attention to the weather forecast to ensure timely and adequate preparation to guarantee the safety of employees and property owners
Policy and regulatory risks (e.g. stricter building energy codes and reporting disclosure compliance risks)	<ul style="list-style-type: none"> Possible penalties for non-compliance Damaged reputation and loss of competitive advantage 	<ul style="list-style-type: none"> Tracking the latest laws and regulations on climate change and integrating them into business management strategies
Market risks (e.g. inability to adapt to growing stakeholder concerns on sustainability)	<ul style="list-style-type: none"> Failure to meet the requirements of stakeholders, resulting in damaged reputation and loss of competitive advantage 	<ul style="list-style-type: none"> Continuously incorporating the concept of energy conservation and emission reduction into the service planning and implementation process Gradually carrying out green service transformation to meet customer needs



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX I: ENVIRONMENTAL AND SOCIAL KPIS SUMMARY

The following is a summary of the Year's information on sustainability in the environmental area:

Environmental area ³	Unit	2021
Greenhouse gas emissions⁴		
Direct GHG emissions (Scope 1)	Tonne of CO ₂ e	22.00
GHG reductions from planting of new trees (Scope 1)	Tonne of CO ₂ e	49.80
Indirect GHG emissions (Scope 2)	Tonne of CO ₂ e	19,810.98
Total GHG emissions (Scope 1 and 2)	Tonne of CO ₂ e	19,783.18
GHG emissions intensity (area)	Tonne of CO ₂ e/m ² GFA in '000s	1.49
GHG emissions intensity (person) ⁵	Tonne of CO ₂ e/employee	5.70
Non-hazardous waste		
Non-hazardous waste produced	kg	5,250.00
Non-hazardous waste generation intensity (person) ⁶	kg/employee	1.24
Water consumption⁷		
Total water consumption	Cubic metre	928,424.76
Total water consumption intensity (area)	Cubic metre/m ² GFA in '000s	73.86
Total water consumption intensity (person)	Cubic metre/employee	271.31
Electricity consumption		
Total electricity consumption	MWh	32,471.69
Total electricity consumption intensity (area)	MWh/m ² GFA in '000s	2.44
Total electricity consumption intensity (person) ⁵	MWh/employee	9.35
Paper consumption		
Paper consumption	kg	7,274.18
Paper consumption intensity (person) ⁶	kg/employee	1.72

³ Environmental data includes environmental KPIs of the headquarters in Chongqing and the top 10 subsidiaries with the highest annual revenue, namely Chongqing Xindongyuan Property Management Co., Ltd. and its Wuhan branch, Sichuan Xindongyuan Property Service Co., Ltd., GSN Property Services Co., Ltd., Chongqing Xindongyuan Property Management Co., Ltd.'s Shanghai branch, Sichuan Xindongyuan Property Service Co., Ltd.'s Mianyang branch, GSN Property Services Co., Ltd.'s Beijing branch, Pingxiang Dongyuan Hongtu Marketing Planning Co., Ltd., Chongqing Chengfang Home Decoration Engineering Co., Ltd., as well as GSN Property Services Co., Ltd.'s Suzhou branch.

⁴ Greenhouse gas emissions are calculated with reference to "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs".

⁵ The number of employees involved in GHG emissions and total electricity consumption is 3,472.

⁶ The number of employees involved in non-hazardous waste and paper usage is 4,239.

⁷ Water consumption data includes 10 subsidiaries within the reporting scope. As the water consumption at the headquarters office in Chongqing is water used in public areas and cannot be split and calculated, the water consumption data has not been disclosed. The corresponding number of employees is 3,422.



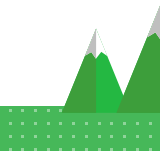
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The following is a summary of the Year's information on sustainability in the social area:

Social area ⁸	Unit	2021
Total number of employees	People	4,170
Number of employees by gender		
Female	People	2,094
Male	People	2,076
Number of employees by age group		
Under 30	People	1,145
30–50	People	2,568
Over 50	People	457
Number of employees by employment type		
Full-time junior employees	People	2,936
Full-time middle management	People	1,005
Full-time senior management	People	229
Number of employees by geographical region		
Northern China	People	268
Western China	People	662
Eastern China	People	904
Central China	People	888
Southern China	People	314
Southwestern China	People	1,134
Employee turnover rate⁹		
Total employee turnover rate	%	35.27
Employee turnover rate by gender⁹		
Female	%	36.51
Male	%	33.97
Employee turnover rate by age group⁹		
Under 30	%	44.44
30–50	%	32.12
Over 50	%	23.58

⁸ Data in the social area covers the entire Group.

⁹ The formula to calculate employee turnover rate is: $\text{Number of employees who left at the category} \div (\text{number of employees who left at the category} + \text{number of employees at the end of the Year at the category}) \times 100\%$



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Social area ⁸	Unit	2021
Employee turnover rate by geographical region⁹		
Northern China	%	24.08
Western China	%	24.43
Eastern China	%	33.82
Central China	%	43.69
Southern China	%	26.12
Southwestern China	%	38.54
Percentage of employees trained by gender ^{10,11}		
Female	%	54.29
Male	%	45.71
Percentage of employees trained by employee category¹¹		
Full-time junior employees	%	75.04
Full-time middle management	%	20.14
Full-time senior management	%	4.82
Average training hours completed per employee by gender ¹²		
Female	Hour	30.69
Male	Hour	36.59
Average training hours completed per employee by employee category ¹²		
Full-time junior employees	Hour	37.07
Full-time middle management	Hour	21.76
Full-time senior management	Hour	12.32
Occupational health and safety		
Number of work-related fatalities (2019, 2020 and 2021)	Number	0
Rate of work-related fatalities (2019, 2020 and 2021)	%	0.00
Lost days due to work injury	Day	0

¹⁰ Training data for interns and retired retirees is included in the training statistics about employees.

¹¹ The formula to calculate the percentage of employees trained is: Number of employees trained at the category ÷ total number of employees trained × 100%

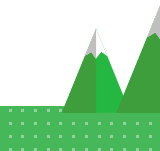
¹² The formula to calculate the training hours of employees trained is: Training hours of employees trained at the category ÷ number of employees at the category



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APPENDIX II: ESG REPORTING GUIDE CONTENT INDEX OF HKEX

Indicators			Corresponding sections
A. Environmental area			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	8. Green Operation
	A1.1	The types of emissions and respective emissions data.	8.1 Emission Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.1 Emission Management Appendix I: Environmental and Social KPIs Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.2 Waste Disposal
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.2 Waste Disposal Appendix I: Environmental and Social KPIs Summary
	A1.5	Description of emission target(s) set and steps taken to achieve them.	8. Green Operation 8.1 Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	8.2 Waste Disposal
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	8. Green Operation
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	8.3 Use of Resources Appendix I: Environmental and Social KPIs Summary

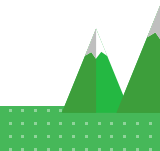


Indicators			Corresponding sections
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	8.3 Use of Resources Appendix I: Environmental and Social KPIs Summary
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	8. Green Operation 8.3 Use of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	8. Green Operation 8.3 Use of Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's businesses
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	8. Green Operation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	8. Green Operation
A4: Climate change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	8.4 Response to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	8.4 Response to Climate Change



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Indicators			Corresponding sections
B. Social area			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6. Talent Management
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Appendix I: Environmental and Social KPIs Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Environmental and Social KPIs Summary
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	6.5 Occupational Safety; 6.6 Pandemic Prevention and Control
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: Environmental and Social KPIs Summary
	B2.2	Lost days due to work injury.	Appendix I: Environmental and Social KPIs Summary
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6.5 Occupational Safety; 6.6 Pandemic Prevention and Control



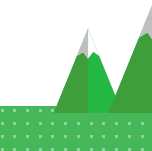


Indicators			Corresponding sections
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.4 Employee Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Environmental and Social KPIs Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Environmental and Social KPIs Summary
B4: Labour Standards	General Disclosure	Information on: relating to preventing child and forced labour. (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.	6.1 Recruitment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Recruitment
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Recruitment
B5: Supply chain management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.2 Supplier Management
	B5.1	Number of suppliers by geographical region.	5.2 Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.2 Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.2 Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.2 Supplier Management



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Indicators			Corresponding sections
B6: Product Responsibility	General Disclosure	Information on: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (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.	4.1 Quality Assurance; 5. Compliance Operations
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve product recall.
	B6.2	Number of products and service related complaints received and how they are dealt with.	4.2 Customer Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.4 Intellectual Property Management
	B6.4	Description of quality assurance process and recall procedures.	4.1 Quality Assurance; The Group's business does not involve product recall.
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.1 Information Management





Indicators			Corresponding sections
B7: Anti-corruption	General Disclosure	Information on: relating to bribery, extortion, fraud and money laundering. (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.	5.3 Integrity in Operations
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5.3 Integrity in Operations
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.3 Integrity in Operations
	B7.3	Description of anti-corruption training provided to directors and staff.	5.3 Integrity in Operations
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Community contribution
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7. Community contribution
	B8.2	Resources contributed (e.g. money or time) to the focus area.	7. Community contribution

