

sunac 融創服務

2021環境、社會 及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

融創服務控股有限公司
SUNAC SERVICES HOLDINGS LIMITED

(於開曼群島註冊成立的有限責任公司)
(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE 股份代號: 01516.HK

SUNAC
SERVICES

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I ABOUT THE REPORT

Sunac Services Holdings Limited (the “Company”, “Sunac Services” or “we”, together with its subsidiaries, the “Group”), based on the identification of key stakeholders and the relevant environmental, social and governance (“ESG”) issues they concern, has prepared and published this ESG report for 2021, for the purpose of disclosing the management status and performance of the Group in the ESG aspects during 2021.

(I) REPORTING STANDARDS

This report has been prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group has also disclosed relevant information in this report in accordance with mandatory disclosure requirements and “comply or explain” provisions under the ESG Guide.

(II) REPORTING PRINCIPLES

This report followed the principles of “materiality”, “quantitative”, “consistency” and “balance”.

1. “Materiality”: We prioritised the ESG issues of concern to our stakeholders and responded to them in the report according to their level of importance, as described in the section headed “Stakeholder Communication and Assessment of Material ESG Issues” of the report.
2. “Quantitative”: The Group’s environmental and social KPIs are presented in quantitative terms to facilitate the assessment and validation of the KPIs in this report. In addition, the quantitative criteria, methods, assumptions and/or calculation tools for the KPIs, and the sources of conversion coefficients used, are described in the appropriate places.
3. “Consistency”: We have adopted a consistent approach to statistical disclosure as in previous years, and where there are changes, these have been noted where appropriate so that the information in the report can be meaningfully compared in the future.
4. “Balance”: This report provides an objective, fair and balanced view of the Group’s ESG performance.

(III) SCOPE OF THE REPORT

The scope of this report covers the year of 2021 (from 1 January 2021 to 31 December 2021) (the “Reporting Period”). The disclosure scope of this report covers the headquarters of the Group, all regional and city platform companies and their projects under management, which are entities mainly engaged in property management services, commercial operational services, community living services and value-added services to non-property owners.

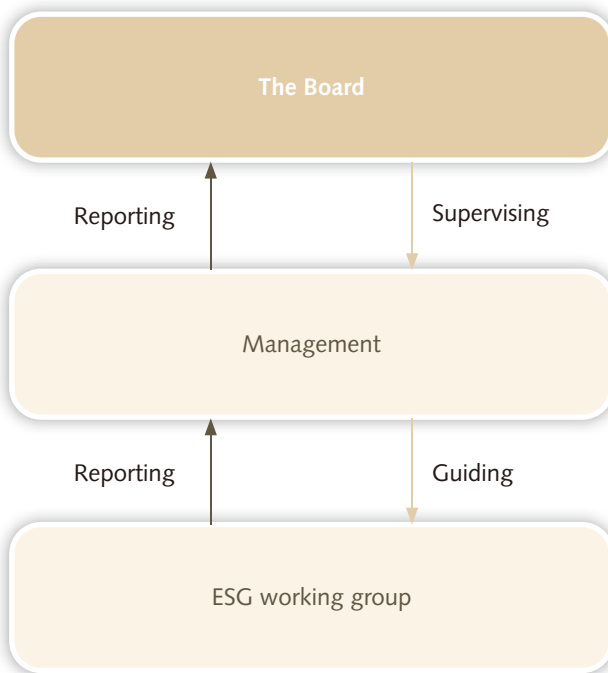
(IV) HOW TO OBTAIN THIS REPORT AND FEEDBACK

The electronic version of this Report can be browsed and downloaded from the website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (www.sunacservice.com). If you have any comments or suggestions on the Company’s ESG report, please feel free to send an email to ir@sunacwy.com.cn.

II THE BOARD'S STATEMENT

The board (the "Board") of directors (the "Directors") of the Company complies with the requirements of the ESG Guide by making the following statement:

1. The Group has established an ESG governance structure consisting of the Board, ESG management and ESG working group. The Board, as the highest leadership body, performs oversight responsibilities for ESG-related issues of the Group.



The Board: The Board is responsible for the overall ESG governance issues and supervising and reviewing the ESG performance of the Group; reviewing the ESG structure and strategy of the Group; reviewing and ensuring that the Group has established an appropriate and effective ESG risk management and internal control system; as well as reviewing and approving the ESG report.

ESG management: The management is responsible for formulating the ESG strategies, policies and management targets; coordinating ESG work arrangements according to ESG strategies and policies; evaluating and sorting out ESG – related risks and opportunities; and reporting the work on ESG management to the Board.

ESG working group: The ESG working group is responsible for discussing and formulating the ESG targets and working plans for relevant departments on ESG based on the ESG strategies and policies; carrying out key work based on the ESG targets and working plans and supervising the achievement of targets; carrying out ESG report data collection and preparation.

The Board conducts regular review of the Group's ESG management approach and strategy to assess their impact on the overall strategy of the Group.

2. The Group conducts the assessment, prioritization and management of material ESG issues each year based on the results of stakeholder communication, etc. to continuously improve the Group's material ESG issues and clarify the focus of ESG management. The Board has participated in the assessment process of ESG issues. For details on the material ESG issues management process, please refer to the section headed "Stakeholder Communication and Assessment of Material ESG Issues" in this report.

The Group attaches importance to the significant impact that ESG risks and opportunities may have on the Group and incorporates them into its risk management system. The Board oversees the ESG risks and opportunities process.

3. The Group has established environmental targets associated with its business operations. The Board regularly reviews the achievement and progress of the environmental targets. Further information on the ESG environmental targets are set out in the section headed "Environmental Protection and Green Operation" in this report.

III STAKEHOLDER COMMUNICATION AND ASSESSMENT OF MATERIAL ESG ISSUES

(I) IDENTIFYING AND COMMUNICATIONS WITH STAKEHOLDERS

The Group attaches importance to communications with stakeholders. The Group has established routine communication mechanisms with stakeholders to identify their ESG concerns and actively respond to them. The major stakeholders identified and the major communication channels between the Group and stakeholders are as follows:

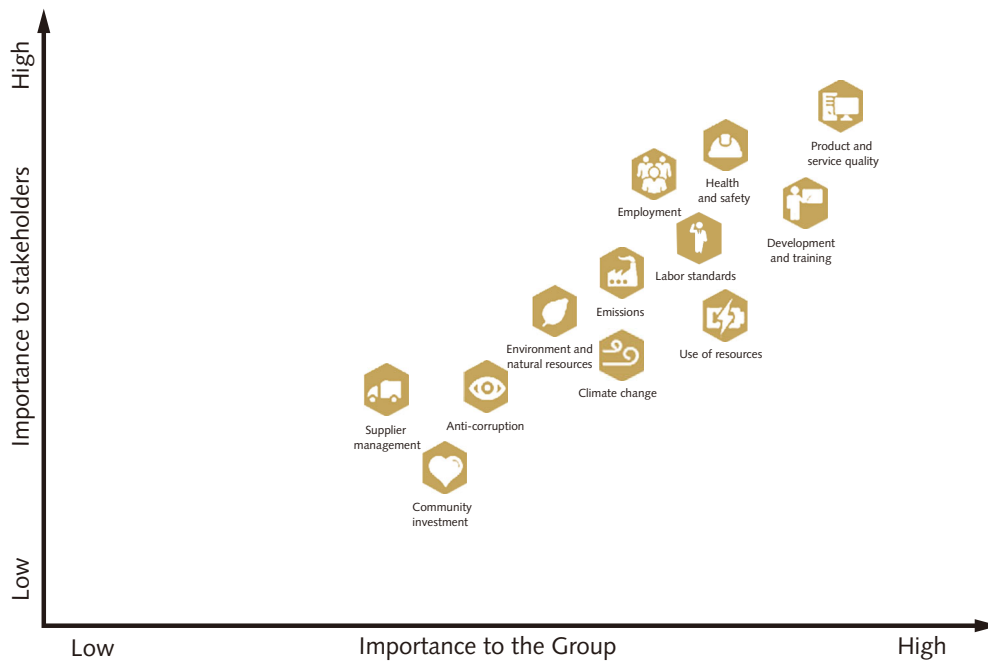
Stakeholders	Major communication channels
Customers	Customer complaint hotline, customer satisfaction survey, customer service center, Sunac Livable Community APP
Employees	Working conference, skill training, employees care activities, employees satisfaction survey, employee experience officer
Shareholders and investors	Shareholders meetings, investor forums, information disclosure
Suppliers and partners	Cooperation negotiations, communication and interaction, business meetings
Government and regulators	Policy and guideline, daily communication, working conference, information disclosure and social public welfare activities

III STAKEHOLDER COMMUNICATION AND ASSESSMENT OF MATERIAL ESG ISSUES

(II) MATERIALITY ISSUE ASSESSMENT

The Group has summarized 12 ESG issues based on the actual situation of the Group with reference to the ESG Guide of the Stock Exchange and the issues of concern to the stakeholders. At the same time, in order to assess the level of concerns of stakeholders on ESG issues related to the Group and the materiality of ESG issues, the Group engaged an independent professional third-party consultant to carry out materiality issue assessment by distributing questionnaires to stakeholders, analyzing the results of the questionnaires to stakeholders and, in conjunction with the development of the Group, arriving at the results of the materiality issue assessment from two dimensions: “Importance to the Group” and “Importance to stakeholders”.

The results of the Group’s assessment of materiality issues are as follows:



Among them, very important issues are “product and service quality”, “health and safety”, “development and training”, “employment” and “labor standards”; relatively important issues are “emissions”, “use of resources”, “environment and natural resources” and “climate change”; and related issues are “anti-corruption”, “supplier management”, “community investment”. The Group will highlight disclosure on very important and relatively important issues in this report.

The Group constantly makes improvement on such ESG issues in daily operations to respond to stakeholders’ expectations, enhance trust and cooperation, and jointly promotes the sustainable development of the Group and the society.

IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY

(I) PRODUCT QUALITY

HIGH-QUALITY COMMUNITY SERVICE SYSTEM

The Group has established the “Sunac Livable Community” (融創歸心) service system, which is centred on having a high-quality living environment in our community, convenient and hassle-free daily services, and a pleasant and harmonious neighborhood. Through this service system, the Group aims to create a high-quality community services environment, featuring “Pleasant Home, Enjoyable Life and Companionship” (有家、有生活、有知己), for its customers and to build a lively community together.

Pleasant Home: Good housing, together with good community facilities and environment, reflects the expectations of customers for home and better life. The Group provides consultancy services from the perspective of customers and strictly controls quality upon delivery of properties; the Group builds a community engineering services and maintenance system guided by lean management to ensure customers can use the community facilities and equipment in an orderly, carefree manner at any time; the security officers of the Group are bound by the service principles of “zero delay and zero distance” to safeguard customers; and the cleaning staff of the Group is bound by the service principles of “zero dirt and zero annoyance”, providing a clean, tidy and comfortable living environment for customers.

Enjoyable Life: The Group provides convenient and hassle-free community daily services to customers, with its team of stewards serving as their most reliable assistants in daily life in the community. The Group has set up online and offline platforms, such as the “Sunac Livable Community” (融創歸心) mobile application, the 400 toll-free service hotline and the “Livable Community Centre” (歸心服務中心), to provide property owners with convenient and timely services; the Group provides property owners with convenient community living services, including utility bill payment, home delivery by courier, housekeeping and cleaning, home repair and maintenance, second-hand leasing and sales, and renovation and decoration; and the team of stewards of the Group strives to achieve the service standard of “knowing customers and understanding life” and allow customers to enjoy a hassle-free life by serving as their most reliable assistants in daily life.

Companionship: The Group strives to build a civilized and harmonious new-era community neighborhood relationship and create a “Livable Community” featuring cooperation, sharing and prosperity. The Group recruits “Livable Community Public Ambassadors” (歸心共建大使) and promotes the “Sunac Community Convention” (《融創社區公約》), with a view to jointly creating an open, transparent, respectful and harmonious community environment and maintaining and safeguarding civilized and friendly social behavior. The Group also actively organizes a wide range of community activities to create a delightful environment including, among others, Talent Show (業主達人秀) and Spring Festival Gala (業主春晚), which have become the signature activities of the Group. With the objectives of “fun, gathering and love”, the Group organizes various interest groups and leverages the community space to build a social platform for the property owners. The Group aims to create enjoyment, facilitate self-expressions, promote neighbor exchanges and build social harmony. The Group also actively organizes the “Dream Sailing Plan” (夢想起航計劃) and promotes participation by property owners such that the property owners may collaborate with the Group in jointly meeting social responsibilities. For more detailed information on the above, please refer to Section VIII “Harmonious Community and Warm Society” of this report.

COMPREHENSIVE QUALITY MANAGEMENT SYSTEM

The Group has established a comprehensive quality management system. The Group emphasizes and implements dynamic quality management controls, including the mystery customer visit mechanism, quality inspection and self-checking mechanism, 400 toll-free service center client review mechanism, employee training and work assessment and incentives mechanisms, to ensure the effective implementation of high-quality service standards at project sites.

IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY

INTELLIGENT, SCIENTIFIC AND DIGITAL CUSTOMER SERVICE PLATFORMS

The Group actively builds smart communities by creating a customised smart community platform, “Sunac Smart Community”. At the technical level, the smart community platform, through strong computing power and rapid business intelligence response capabilities, has set up an online customer service platform through the integration of offline and online resources, and provided convenient customer experience with the guidance of serving customers by using the leading Internet of Things (IOT) platform. At the business level, the smart community platform has standardised and unified the four major business scenarios of car, pedestrian, security and equipment and facility, allowing owners to enjoy an efficient and convenient life while improving the Group’s management energy efficiency. At present, “Sunac Smart Community” has covered hundreds of communities in the property management projects managed by the Group’s headquarters, regional and city platform companies, and we plan to roll out smart communities across the country in a point-to-area manner to provide owners with convenient, safe and caring smart services.

In 2021, the Group enhanced the smart development of the “Sunac Livable Community” (融創歸心) APP. In terms of convenient services for owners, the living services functions on the Livable Community platform were updated and the owners’ rights platform was launched, enabling the online service of housekeeping and in-home maintenance services.

CORPORATE HONORS

In 2021, the Company was awarded the TOP1 of 2021 China Leading Brands in High-end Property Services and the TOP2 of 2021 China Leading Brands in Property Service Quality by China Index Academy, the TOP2 of 2021 High-end Service Companies and the TOP5 of 2021 Top 100 Property Service Companies by E-House Enterprise Group · CRIC, the TOP5 of 2021 Superior Property Service Companies in China by EH Consulting · JiaHeJiaYe, and the TOP5 of 2021 Most Valuable Brand of China Property Management Service by China Property Management Institute.



IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY

(II) CUSTOMER COMMUNICATION

The Group complies with the requirements of the Law of the People's Republic of China on the Protection of Consumers' Rights and Interests and other laws and regulations, and attaches importance to communications with customers. The Group has formulated the Management Rules on Reporting and Complaints by Customers of Sunac Services Group, which specifies the handling process, the scope of responsibility and the management requirements on reporting and complaints by customers, guaranteed timely and effectively services for customers by staff at all levels, solved their difficulties and consistently enhanced customer satisfaction.

The Group has established various complaint channels to allow customers to provide feedback to the Group through such methods as visits, calls, customer interviews, satisfaction surveys, steward interaction, and Sunac Livable Community APP. The Group will promptly follow up and deal with various customer complaints collected, and entrust dedicated staff to receive, respond to, follow up and handle customer complaints. After the complaints are resolved, they will seek for confirmation and evaluation of the handling results from customers. For customers who don't provide comment, the Group will arrange the 400 service command center for timely return visits and follow-up to find out about customer satisfaction level. The number of customer telephone complaints received by the Group during the year was 19,612 and the complaint response rate was 100%.

The Group values customer feedback on our products and services and actively conducts customer satisfaction surveys. In 2021, the Group formulated the Rules Governing Satisfaction Touch Point Surveys, aiming to clarify the rules, interfaces of responsibilities and management requirements for customer satisfaction touch point surveys. The Group conducts owner satisfaction surveys through both monthly touch point satisfaction surveys and third-party satisfaction surveys. In particular, the monthly touch point satisfaction survey randomly distributes SMS/WeChat survey questionnaires to customers and conducts follow-up phone calls by dedicated staff, and the Group researches and analyses the needs of owners to launch diversified service products, with a view to continuously improving customer satisfaction. The third-party satisfaction survey invites third party independent professional consulting organizations to conduct customer satisfaction surveys and issue satisfaction survey reports.

According to the survey report by SurveyCity, a third-party organization, the Group's property service satisfaction rate was above 90 marks in 2021, maintaining a leading level in the industry.

IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY

(III) CUSTOMER INFORMATION AND PRIVACY PROTECTION

The Group complies with the Network Security Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Law of the People's Republic of China on Personal Information Protection and other information security and privacy protection related laws and regulations, and follows the principle of "hierarchical management and authorized use" to implement the main responsibility of the enterprise in network security, information security and personal privacy protection, and promote the construction of security governance to a national strategic level. Adhering to the principle of compliance and reasonable implementation, and through strict authority control strategies and data classification and grading mechanisms, the Group has implemented full life-cycle security control for different dimensions of data such as trade secrets, business information, employee and customer personal information. In 2021, the Group was certified to ISO/IEC 20000-1:2018 for information technology service management system and ISO/IEC 27001-1:2013 for information technology information security management system.

We implement various customer information and privacy measures, mainly including the following:

- when using online platforms such as APP, it only collects the necessary information needed to conduct business, sets the statement confirmation of the customer privacy agreement, and obtains and uses customer information after receiving the customer's consent;
- the content of customer data is only used for business use of the Group's system, and is not shared with any third parties;
- customer sensitive information is encrypted when storing and desensitized when displaying;
- special application approval is required for enabling functions such as viewing and exporting customer information, and regular inspections will be conducted for user information management permissions;
- anti-virus firewall is uniformly installed to prevent viruses from destroying data and to reduce security risks.

IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY

(IV) PANDEMIC PREVENTION

The community is the basic unit of urban society and the front line of pandemic prevention and control. The strict protection and perseverance of the home is a solid backing for the fight against the pandemic. The Group is fully committed to the frontline of pandemic prevention and control, and keeps on 24-hour standby to help with nucleic acid screening, community disinfection, supplies delivery and heart-warming services to protect the warmth and safety of the “last mile”.

In 2021, there were localized outbreaks of the COVID-19 pandemic in various parts of China. As an important guardian of the community, the Group implemented various pandemic prevention and control measures:

- **Pandemic prevention awareness publicity:** In the face of close contact cases of pandemic in various places, the Group responded promptly, actively cooperated with local governments’ pandemic prevention requirements, and quickly upgraded community pandemic prevention measures. Each project steward and customer service staff immediately disseminated the latest pandemic developments and protection knowledge in the owners’ communication groups and social media to remind owners to maintain vigilance at all times.
- **Strict prevention and control of community entrances and exits:** In order to isolate the virus from homes, the Group implemented all-round monitoring in all its communities, strictly monitored entrances and exits 24 hours a day, kept only one door open, closed other entrances and exits, strengthened the prevention and protection patrol of the central control personnel and patrol posts, and dealt with the abnormal situation in time. All entrances and exits are equipped with infrared thermometers to measure the body temperature of pedestrians, car owners entering the communities, and visitors, takeaway deliverers and couriers are required to check and register their important information such as health codes and travel codes to ensure precise prevention and control.
- **Primary prevention of sanitation management, increased frequency of disinfection in key areas:** The Group has fully upgraded pandemic prevention of various service formats, conducted frequent and comprehensive disinfection for elevators, leisure facilities, trash cans, garages and other important public places in the community, as well as property owners’ door handles and floor mats outside the door and third-party facilities such as express cabinets.
- **Cooperation with the government’s prevention and control arrangements to provide life convenience for property owners:** In order to address the troubles and concerns of owners in closed communities who had to go out to pick up deliveries and purchase daily necessities, the Group’s staff provided “errand” services to owners. On the premise of safeguarding staff’s own pandemic protection requirements, we provided door to door services such as disinfection, buying and delivering daily necessities, delivering meals, littering, dog walking, deliveries pick-up and grocery shopping to owners in isolation.



Property pandemic prevention and disinfection
in Tianjin Sunac Community



Code scanning and temperature measurement
for owners in Xi’an Sunac Community

IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY

Case: 2021 Advanced Group in the Prevention of the COVID-19 Pandemic

At the beginning of 2021, with the “comeback” of the pandemic in Shenyang, the Shenyang branch of the Group has stepped up its efforts to prevent and control the pandemic by setting up checkpoints at the entrances and exits of the communities. The staff of the Group were on duty around the clock, checking codes and measuring temperature to guard the frontline of homes. In order to make the owners feel more at ease, the Shenyang branch has refined its daily high-frequency disinfection and launched the activity of “cleaning the door to protect the family” in Sunac projects across the city, disinfected and cleaned nearly 2,000 entrance doors for many projects in the city. At the same time, the frequency of disinfection in various areas of the communities was increased, and the safety barrier was strictly maintained through actions in building an “iron fortress” against the pandemic.

After the outbreak of the pandemic in Shenyang, Shenyang Sunac City and Tangxuanfu projects actively responded to the government’s call and fulfilled the mission of fighting against the pandemic with practical actions, and were awarded the “2021 Advanced Group in the Prevention of the COVID-19 Pandemic” by the Liaoning Property Management Association.



V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

Employees are key drivers to the sustainable development of an enterprise. The Group abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the requirements of other laws and regulations and is devoted to creating an equal, safe, healthy and comfortable working environment for each employee. The Group fully respects and guarantees the basic rights and interests of each employee, strives to create conditions for the personal growth of employees and provide them with broad promotion potential and development platforms. In 2021, the Group was awarded various honors and prizes on employment and talent cultivation, including the "Outstanding Prize for Human Resources Management" (人力資源管理傑出獎) by 51job.com.

(I) EMPLOYMENT AND PROMOTION OF EMPLOYEES

The Group adheres to the principle of fair and just recruitment and does not treat applicants differently regarding their races, ages, genders, marital status, social classes and religions during the recruitment, and attaches great importance to and promotes the diversity of its employees and builds a diverse and inclusive workforce. The Group has formulated the Recruitment Management Regulation of Sunac Services Group, the Management Regulation on Internal Recommendation of Sunac Services Group, the Operational Standards on Recruitment of Sunac Services Group and other management regulations and standards in accordance with the development needs of the Group to promote the standardized and normalized recruitment process and improve the recruitment efficiency while ensuring the fairness and impartiality in recruitment.

The Group formulated the Management Regulation on Labor Contracts of Sunac Services Group, which standardizes the contract management work and operational procedures and specifies the rights and obligations of both parties. The labor contracts have explicit provisions on working hours, employee vocations, working contents, remuneration and welfare, labor conditions and other contents to safeguard the basic legitimate interests of laborers and the Group and establish a harmonious and stable labor relationship.

For employees during the probation, the Group formulated the Management Regulations on the Probation and Regularization of Employees of Sunac Services Group to optimize the evaluation and regularization process of employees during the probation, and promote employee's growth and progress, quick integration into the Group's culture, and adaptation to job requirements, thereby establishing long-term and stable labor relations.

The Group established the Employee Evaluation and Incentive Management Rules of Sunac Services Group and other management systems on the evaluation and promotion of employees. The Group conducts performance evaluation on employees each year and provides promotion and development opportunities to employees with overall outstanding performance. Meanwhile, the Group actively looks for talents within the Group and prioritizes promotion of internal employees.

The Group also formulated systems on employee resignation and dismissal. The Group set up corresponding operation procedures for resignations with different reasons to safeguard the legitimate benefits of employees and the Group in the process of dismissal.

V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

(II) REMUNERATION AND WELFARE OF EMPLOYEES

The Group has formulated the Remuneration Management Regulation of Sunac Services Group, the Welfare Management Regulation of Sunac Services Group and other regulations to regulate the remuneration and welfare management of the Group and provide employees with a fair and reasonable remuneration and welfare system. The Group conducts regular evaluation on the remuneration of employees and provides employees with competitive remuneration.

The Group provides employees with various welfare, including housing subsidies, transportation subsidies, meals subsidies, holiday gifts or presents and free physical checkups. Meanwhile, the Group organizes various employee activities, including birthday parties, employee theme development activities, employee club activities, Thanksgiving series activities, etc., to enrich their life and create an excellent working atmosphere. In 2021, the Company established 9 clubs for employees, including football, basketball, badminton, table tennis, running, swimming, movie watching, flower arrangement, and e-sports clubs to protect employees' physical and mental health.



Basketball Club Activities



Flower Arrangement Club Activities

V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

Case: Mountaineering Activity of Sunac Services Group in 2021

In order to promote the rapid integration of employees in various departments and stimulate the vitality of the team, the headquarters of the Group launched a mountaineering activity on 15 May 2021 with the theme of “All things thrive in spring, and go for beauty together”. All the participants were full of energy. In spite of the drizzle on the day of the activity, it did not affect the enthusiasm and momentum of each participant in participating in the event at all.



V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

SERVICE CULTURE FESTIVAL

In order to create a stronger cultural atmosphere and stimulate the vitality and creativity of front-line services in the long-term, the Group comprehensively launched the service culture festival in the fourth quarter of 2021 to carry out the theme activities of cultural voice, national front-line, staff experience officer, front-line staff care and front-line example strength. Various regions have added a number of service culture activities with unique ingenuity according to local conditions.



Service Culture Festival – Cultural Speech Contest

EMPLOYEE MUTUAL AID ASSOCIATION

Since its establishment in 2018, the Company's employee mutual aid association has been committed to providing financial support to employees whose families are poor due to major diseases or accidental injuries. In 2021, the Group issued mutual aid funds totaling about RMB926,000 to help 38 employees.

TRADE UNION OF THE COMPANY

The Group has established a trade union to better safeguard the legitimate rights and interests of employees, build a coordinated and stable employment relationship, and promote the common development of employees and the Group. In 2021, the total annual expenditure of the 18 trade unions of the Group was about RMB1.08 million. The trade unions organized a number of activities such as festival celebrations, summer cooling off, and pandemic prevention events .

V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

(III) EMPLOYEE COMMUNICATION AND EXCHANGE

In order to better listen to the employees and understand their true thoughts, the Group provides employees with multi-channel communication platforms and opportunities.

For new employees, the Group assigns sunshine partners to conduct one-to-one tutoring communication to help new employees get familiar with and integrate into the team as soon as possible. At the same time, the Group understands the ideological trends of new employees and the degree of enterprise integration through interviews, makes overall predictions on the working status of new employees, and carries out corresponding improvement measures.

For the current employees, the Group conducts employee interviews with them on a regular basis to understand their requirements, discuss and analyze the content of their requirements, arrange follow-up matters and communicate with employees for feedback. In order to better listen to the aspirations of employees and continue to improve employee relationship, the Group conducted an anonymous questionnaire survey on the satisfaction of the employees of the Group headquarters, with the employee satisfaction rate as high as 92%.

EMPLOYEE EXPERIENCE OFFICER

In 2021, in order to stimulate the enthusiasm of employees to communicate actively and help employees out in a timely manner, the Group has carried out employee experience officer activities with the aim to “listening attentively to the voices of the grass-roots level, keeping close to the front-line and caring for employees, and tackling difficulties, being caring and truthful”.

After the online promotion of the experience officer activity through the dual platforms of Feishu and WeChat, it covers the Group’s headquarters and 15 regions across the country, with a total of 1,538 experience officer representatives.

The Group has collected a total of 1,066 valid opinions and suggestions with a response rate of 100%. The feedback posts for problems involve grassroots cleaning, greening, order, customer service, and project management. We will continue to increase the follow-up and processing efforts, and gradually deepen the visit work, and strive to achieve “everything is done, and everything has its response”.

(IV) LABOR STANDARDS

The Group has formulated and implemented the Recruitment Management Regulations of Sunac Services Group and the Management Regulations on Staff Employment of Sunac Services Group to regulate employee recruitment process and strictly prohibit the employment of child and forced labor. The Group will verify the identification information of employees when they join the Group to prevent the employment of child labor. The Group employs laborers in compliance with laws and regulations without forced labor. In case of suspicious incidents, the Group will prevent forced labor in a timely manner, adopt rectification measures and provide labor protection and conditions as required by laws. The Group will compensate employees for losses caused and impose punishment on relevant responsible persons. The Group recorded no employment of child labor or forced labor in 2021.

V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

(V) PROTECTING THE HEALTH AND SAFETY OF EMPLOYEES

The Group considers employees as valuable wealth, attaches great importance to their health and safety and is devoted to creating a safe working environment for employees. The Group regularly arranges physical examination activities for employees every year, and organizes the interpretation of physical examination reports to keep abreast of employees' health. The Group has obtained the certification of ISO 45001:2018 Occupational Health Management System and formulated the Management Regulation on Occupational Health and Safety of Employees, providing detailed explanations and provisions on the safety management in operation and office areas of the property management parks. The Group carries out analysis on sources of danger, engages risk assessment specialist and regularly identifies and controls potential risks on the working and operation places of all types of work. The Group has formulated relevant safety management systems to reduce the occurrence of accidents.

For safety management in office areas, the decoration of the Group's office area meets the requirements of fire safety and environmental monitoring. The Group has pasted safety logos and emergency exit signs at the corresponding places in office areas and planned emergency escape routes. Meanwhile, the Group is devoted to creating a comfortable office environment and creating a relaxed working atmosphere for employees. The Group has implemented a number of employee health protection measures, including the following: the office areas are equipped with air purifiers and green plants to improve indoor air quality; the humidity in office areas is monitored and adjusted to enhance indoor comfort; and the working positions of employees are equipped with ergonomic chairs, allowing employees to adjust the sitting posture based on their habits during the office hours and minimize their work fatigue.

With respect to the safety management in property management parks, the Group firmly upholds the operation principle that safety comes first, and has developed the Standards on Safe Operation of Engineering Maintenance, fully implements the work safety requirements set in the standards, provides employees with labor protection, and requires engineering operation personnel to perform equipment maintenance in strict compliance with safe operation standards. All regional companies of the Group review each project's implementation of management standards on the regular basis, and evaluate the performance of each project in terms of safety and health.

During the normalization stage of the COVID-19 pandemic, the Group has adopted a number of prevention and control measures to reduce the risk of infection among employees, including (i) distributing pandemic prevention items to employees for free, and equipping frequently used public areas with rinse-free and alcohol-based hand sanitizers, which are easily accessible to employees for disinfection at any time; (ii) adopting facial recognition and mobile punch-in instead of fingerprint punch-in to reduce the risk of virus transmission; (iii) collecting the updates of the pandemic situation and management and control policies of the locations of each branch every day, keeping abreast of pandemic-related information, and requiring the report of the unexpected events such as the abnormal state of employees as soon as possible; (iv) paying attention to the information about the middle and high risk areas of each city and the published movement trajectories of the confirmed people, and carrying out comprehensive screening of employees and related family members; (v) comprehensively checking the food supply pipeline and distribution method of the staff restaurant, and checking the health status of the transportation, kitchen staff and food delivery personnel; (vi) carrying out temperature measurement and registration of health codes and travel codes for visitors in and out of the work area, avoiding visitors from entering as far as possible, and setting up public negotiation areas to receive foreign visitors; and (vii) actively publicizing pandemic prevention to increase employees' knowledge to enhance their awareness on pandemic prevention.

V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

(VI) EMPLOYEE TRAINING AND DEVELOPMENT

The Group attaches great importance to the growth and development of employees. The Group created the “Sunac Academy” in 2018 to build talent echelons and the talent supply and cultivation mechanism. In 2021, Sunac Academy became an independent department, consisting of leadership branch, professional power branch, Sunac management trainee branch, digital teaching branch and operation center. In 2021, all employees of the Company have received training from the Company, details of which are set out in “Appendix: Key Performance Indicators” in this report.

Each branch of Sunac Academy has a dedicated person in charge and a complete structure, providing a complete training system and refined training content. Among them, the leadership branch focuses on the empowerment and improvement of the leadership ability of the management and core succession echelons, integrating the training of project managers into the whole cycle training and enhancing the multi-dimensional management capabilities of grass-roots managers; the professional power branch focuses on comprehensively improving the professional skills of employees and the work skills of grass-roots employees, and develops professional talents in the Group’s housing, non-residential, engineering, and case fields; the Sunac management trainee branch focuses on cultivating the comprehensive ability of fresh graduates and reserves future management talents for the Group; the digital teaching branch focuses on the establishment of OMO-style teaching model, and co-ordinates the construction, operation and maintenance of the Group’s online learning platform; the operation center focuses on vocational skills identification and grass-roots staff training; and the Sunac Academy is committed to talent empowerment, cultural dissemination, and guiding innovation, with a view to promoting organizational change, establishing industry standards, building partnerships, and helping enterprises to achieve win-win growth with their employees.

The Group provides appropriate cultivation plans and training courses for all employees based on their working experiences, professional orientations and individual interest. The main training programs include:

LEADERSHIP BRANCH

**Harmony
(鸿蒙)
program**

Strategy discussion and training:

The Group has set up the “Harmony Program” for the core key personnel, which helps key personnel broaden their horizons, enlighten their ideas and reach a consensus to create the Company’s long-term development direction through online empowerment and offline concentrated discussion.



**Journey
Program**

Empowerment training for city leaders:

The Group has established the “Journey Program”, with a focus on enhancing the comprehensive capabilities of city leaders in various regions. “Journey Plan” integrates offline and online resources, and uses a teaching model that integrates theory and practice, supplemented by activities such as experience sharing and project visits, to help city leaders improve service quality, professional standards, learning ability, innovation ability and other comprehensive abilities.



V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

LEADERSHIP BRANCH

Star program Functional leader empowerment training:

The Group has established the “Star Program” around newly promoted functional heads of various departments, aiming to enhance their comprehensive capabilities. Through research and interviews, online course learning, offline workshops, external exchanges, and the implementation of action plans, the functional leader can better solve the confusion and challenges in the work.



PROFESSIONAL POWER BRANCH

Professional ability training Professional power training:

In 2021, with the goal of strengthening the business foundation and cultivating professional talents, the Group clarified the direction of staff training in both business empowerment and think tank construction. In terms of business empowerment, the Group focused on the difficulties in annual business operations, and carried out professional training in the form of “training camps”, “workshops” and “training courses” to help promote the development of various businesses of the Group. In terms of think tank construction, the Group took the key business responsibilities involved in supporting staff positions as the training direction, integrated the implementation requirements of the Group’s management system, set up a staff post curriculum system, and set up professional courses for posts, which laid a solid foundation for the construction of the overall business training system of the Group.



V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE

SUNAC MANAGEMENT TRAINEE BRANCH

Sunac Management Trainee Program

Gemini training mode:

The Group has launched the “Sunac Management Trainee Program” since 2015, with the purpose of selecting outstanding fresh graduates. Through “theory courses”, “task exercises”, “position practice”, “intensive training and improvement”, it develops high-caliber management talents with outstanding capabilities and high sense of recognition to meet the future development demands of the Group.

In 2021, the “Sunac Management Trainee Program” was internally differentiated into two training programs, namely the “Rongyao Program” and the “Yucheng Program”. The “Rongyao Program” adopted the “9 + 9” rotation training mode, and trains comprehensive management talents who understand the front line and business and have systematic thinking through 9-month platform and project rotation, and the “Yucheng Program” adopted the “6 + 12” fixed position training mode to cultivate backbone talents with profound professional ability through 6 months of teaching, coaching, practice and 12 months of special experience. At the same time, the Group has carried out competitive recruitment and accelerated training for the previous Sunac management trainees, giving them more and faster growth opportunities and a stage for display.



EMPLOYEES' PROFESSIONAL SKILL LEVEL IDENTIFICATION

In order to improve the quality of community service, enhance the comprehensive service ability of front-line guest personnel, meet the increasing service needs of owners, thoroughly implement the spirit of the “14th Five-Year Plan for Vocational Skills Training” and improve the enterprise vocational skills training system, Sunac Services carried out vocational skill level identification work in the Group in 2021, and the Group has completed the construction of a training base of more than 6,000 sq.m. in 2021, which has the training conditions of customer service administrator, property manager, cleaner, domestic attendant, old-age caregiver, babysitter and so on.

SCHOOL-ENTERPRISE COOPERATION

Cooperation between schools and enterprises at the grass-roots level is an important starting point for improving the talent structure of front-line teams. Through cooperation with national junior colleges and higher vocational colleges, on the one hand, the Group establishes a long-term and stable supply pipeline for high-caliber grass-roots employees. On the other hand, with the help of schools' training resources, it establishes a training base for grass-roots employees covering the whole country, gradually realizes the full coverage of grass-roots training, and all employees work with certificates, so as to improve the quality of grass-roots personnel. In 2021, the Group has established 80 practice bases, signed contracts with 81 colleges, established 71 order classes, and effectively recruited 1,940 employees under the school-enterprise cooperation.

VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

The Group strictly abides by the Environmental Protection Law of the People's Republic of China and other laws and regulations on environmental protection, and emphasises the green development concept in business operation and provision of services. Basing on the operation model, the Group has established the environmental management system and obtained the certification of ISO 14001: 2015 Environmental Management System. In 2021, the Group established the energy management system in line with the use of resources in the course of business operation and obtained the certification of ISO 50001: 2018 Energy Management System, which covered the management of processes from energy procurement, receipt/storage, transmission and distribution to use that are related to public facilities employed in the office work of the Group's headquarters and in the course of provision of property services, and the application of energy conservation technologies.

The Group guides and standardises the environmental protection management under the closed-loop management model covering planning, implementation, examination and handling, sets out detailed management systems and measures on reducing energy consumption and emissions, and promotes and implements such systems and measures within the Group.

(I) USE OF RESOURCES

ENERGY CONSERVATION MANAGEMENT

The Group attaches great importance to energy conservation and consumption reduction, and has formulated management systems such as the Measures for Management of Energy Consumption of Sunac Services Group, establishes a four-level energy consumption management system, comprising the Group, regions, cities and projects, and integrates energy consumption management into the entire project cycle, including the planning and design stage, the construction undertaking and inspection stage and the service operation stage. On the premise of ensuring service quality, the management and control of energy use is well implemented to improve energy efficiency and reduce energy consumption. Meanwhile, the Group regularly collects and reviews the energy consumption data of all projects, assesses the effectiveness of energy management, grants reward and imposes punishments based on the assessment. The specific measures taken by the Group are as follows:

Management:

- The Group records energy consumption data of electrical equipment in public areas, covering landscape architecture, air conditioning systems, exhaust fans, dehumidifiers, power distribution equipment and water pumps, analyses the difference of electricity consumption of each month, and adjusts the electricity consumption management measures in a timely manner when it notices abnormal energy consumption data.
- The Group strengthens and enhances employees' awareness of energy conservation, and makes energy-saving signs at all energy-consuming equipment and facilities. To save every kilowatt-hour of electricity, the Group resolutely refuses wasteful behaviors such as keeping lights on for a long time, turning on more lights than needed, not turning off lights, air conditioners and computers when people leave.

Technology:

- On the basis of using electricity safely, satisfying demands and ensuring service quality, the Group utilizes high-efficient and energy-saving electrical appliances, promotes and applies energy-saving facilities and equipment with new processes and technologies, thereby achieving energy conservation.
- Under the requirements of ensuring the water supply standards, the Group transforms the water supply system with water tanks (pools) into a direct water supply system without negative pressure, which reduces energy consumption and avoids secondary pollution of water supply.

VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

Strategy:

- For basic equipment and facilities, the Group reasonably controls the operating condition and operation time of equipment and facilities, plans and manages the lighting of public areas, the working of household air conditioning equipment in such areas and the adjustment of air conditioning temperature, with an aim to reduce energy consumption of projects.
- For seasonal high-energy-consuming equipment such as central air conditioning units, heating boilers, electric tracing, and moisture-proof and dehumidification systems, the Group reasonably formulates different operation strategies according to the actual situation on site, and plans and manages the working of equipment and the temperature of each point, with an aim to reduce energy consumption of projects.



Case: Go Green First by Establishment of Low-carbon and Livable Community in All Respects

Under the general trend of actively building low-carbon cities, the community as a basic unit has gradually accelerated the pace of deepening the low-carbon idea into the lives of residents. The concept of green development has not only been implemented in the building construction field, but has also been embedded in the entire field of property management. To build low-carbon communities, the Group must first understand the key points of energy consumption in property management and then carry out targeted energy-saving renovations.

Chengdu Global Center is the largest single building in Asia, so it is particularly important to control its energy consumption. Chengdu Global Center uses a triple energy supply system which combines provision of electricity, hot water and energy. The waste heat generated by power generation is collected by waste heat boilers, and used to provide cold and heat sources of air conditioning and hot water, which effectively improves the utilization efficiency of natural gas. In addition, the Group remains focused on the optimization and modification of energy-efficient equipment and facilities. In 2021, the Group optimized the street lamp control system in the park and installed light control and radar switch equipment, which uses light and other environmental changes to realize electricity control, thus achieving energy conservation scientifically and effectively. The Group also replaced all the original metal halogen lights in Chengdu Global Center with LED lamps, and effectively saved energy of about 142 MWh during the year.



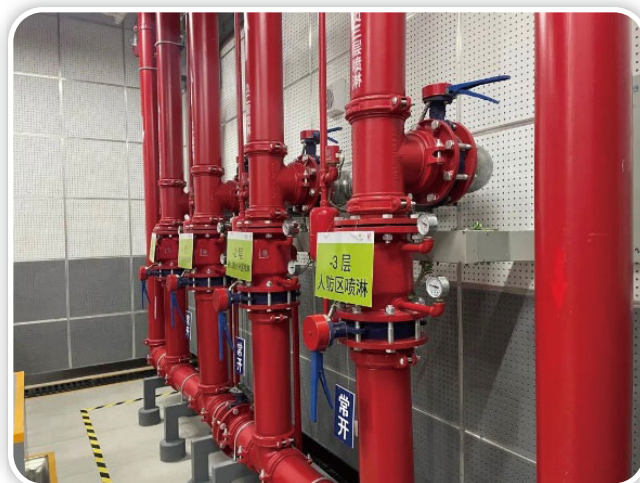
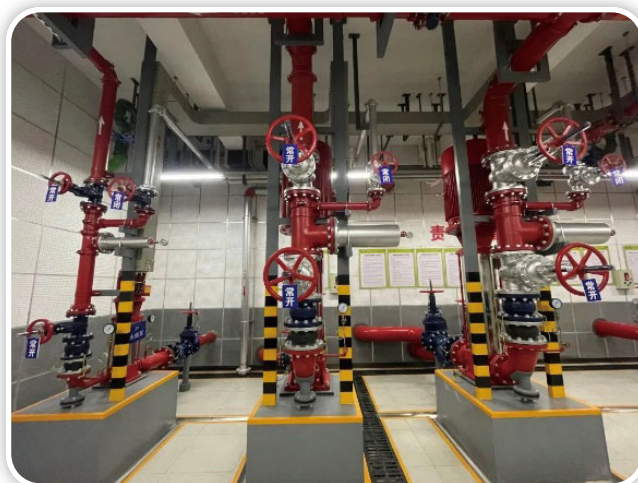
VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

GREEN OFFICE

The Group promotes the green office pattern in office areas and continuously enhances employees' environmental protection awareness. In 2021, the Group further improved the information system construction, promoted the paperless office and online meetings, and encouraged two-sided, multi-page and black-and-white printing and reuse of papers. In the meantime, the Group encouraged the prioritisation of refills over brand new pens to reduce the consumption of office pens.

WATER RESOURCE MANAGEMENT

The Group posts water saving notices in the public water service areas of office areas and property management parks and improves the water saving awareness of employees and property owners, to avoid "water running, flowing, dripping and leakage" and other circumstances of wasting water resources. In 2021, the Group applied the energy management system to monitor water consumption and, developed the water resource management strategy, thus used water resources in a scientific and reasonable manner and reduced the overall water consumption. For water saving technologies, the Group employed the reclaimed water system to source natural water resources for irrigating plants and cleaning, and adopted the EBA remote automatic control system to control the water level and replenishment of fire-fighting water and water landscape, thereby preventing artificially caused waste. For water saving management, the Group conducted thorough inspections of water facilities, including faucets and waterpipes, on a quarterly basis to avoid water running and leakage, and analysed water consumption of the whole organisation according to the settlement of water bills in each month.



Regular maintenance of equipment in water pump house and EBA system remote control

VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

(II) EMISSIONS MANAGEMENT

The Group has formulated the Control Procedures on Environment, Occupational Health and Safety Operation and other systems, to regulate the management of emissions from office areas and property management parks and provide detailed requirements on the treatment of possible dust, sewage and wastes.

DUST AND WASTE GAS CONTROL

The Group requires appropriately spraying water on the ground to prevent dust before initial cleaning and roads cleaning in the property management parks; and clearing construction and domestic wastes with containers after spraying water to reduce dust and covering them firmly in transportation to prevent dropping and leakage. The Group requires that staff canteens and merchants which engaged in catering in parks shall install purification equipment for exhaust emission and their cooking stoves shall adopt clean fuels to prevent polluting surrounding areas.

SEWAGE MANAGEMENT

The Company strictly implements the Tier III Standard provided in the Integrated Wastewater Discharge Standard. Sewage from cleaning in the property management parks shall be discharged into the municipal sewage pipeline network after sedimentation. Staff canteens shall have oil separation pools, and sewage is discharged into the sewage pipeline network after sedimentation in oil separation pools. Designated personnel are arranged to clean the oil separation pools on the regular basis. To ensure that the discharge of wastewater meets the standards, the Company sets rigorous work procedures and standards to strengthen the treatment and monitoring of production and domestic sewage, thus reducing the impact on the environment.

WASTE MANAGEMENT

For non-hazardous wastes, the Group requires sorting and recycling office wastes, household wastes, kitchen wastes and construction wastes and delivering them to municipal departments or qualified suppliers of cleaning services for centralised disposal based on relevant regulations of local governments. For a few hazardous wastes generated, such as waste ink cartridges, carbon powder, toner cartridges, fluorescent tubes and batteries generated by the Group in office areas and parks, the Group collects and stores them separately and delivers them to qualified professional companies for handling.

VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

Case: Demonstration Community of Waste Sorting – Sunac One Riverside Mansion

In response to the national policy and for promoting the green lifestyle, Sunac One Riverside Mansion in Shapingba District, Chongqing initiated the waste sorting campaign in March 2021. To promote better understanding of waste sorting, it organised waste sorting themed community activities to help property owners to develop the habit of waste sorting, which witnessed active engagement of property owners and the efforts of everyone to build a beautiful home.



In the promotion of waste sorting, we installed four categories of collecting containers, two categories of trash bins, hazardous waste containers and other equipment in the community. Particularly, the intelligent trash bin can perform the function of face record via the Mini Program, and property owners can sort the wastes to appropriate containers through face recognition, which leaves hands free, improves the cleanness and hygiene level and endows trendy elements to waste sorting.

To encourage everyone to play a role in the environmental action, we applied the cutting-edge technology of waste sorting, Green Station, to improve the disposal and collection processes. To further promote the action, the Group also adopted technologies to build the digital waste sorting platform featuring “QR Code + credits incentive + intelligent knowledge popularisation”, which fully integrated “technology + internet” into waste sorting practices and enhanced the initiative and engagement of property owners by providing gifts as rewards.

As at the end of March 2022, Sunac One Riverside Mansion recorded 100% of waste sorting popularisation among property owners, 96% of engagement rate and 85% of waste sorting accuracy rate.



VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

(III) ENVIRONMENTAL PROTECTION

The business operation of the Group has no significant impact on the environment and natural resources. Meanwhile, the Group protects the ecological environment and biological diversity of parks through various practices, with the specific measures including:

- Formulating the corresponding vegetation maintenance plans based on the season, climate and other factors and carrying out re-planting in spring and autumn to ensure biological diversity and maintain the ecological and environmental health in parks;
- Advocating watering, use of water and water saving in a scientific manner and organising researches and studies on pilot programmes for the new technology of sprinkling irrigation to reduce the waste of water resources;
- Standardising the use of chemicals in parks in accordance with national policies and guidelines on agriculture and forestry and prioritising the use of environmentally-friendly chemicals to prevent soil and water pollution; and
- Vigorously promoting the green and environmental awareness and conveying the green concept to property owners through a series of practices and exhibitions, such as waste sorting, vegetation maintenance and re-planting, to made concerted efforts to build a green home.

(IV) CLIMATE CHANGE

Climate change has growing influences on the human society and has brought great challenges to businesses. In this context, the Group takes the initiative to identify potential risks caused by climate change and closely monitors the issue of national policies on climate change and their development, so as to facilitate business development.

Acute risks caused by climate change, such as floods, snow storms and typhoons, may affect the continuity of the Group's businesses and become great challenges to the health and safety of customers and employees. For projects in different climate conditions, the Group conducts separate analysis of how extreme weathers affect businesses and employees, develops specific plans based on the high frequency cycle of extreme weathers and specifies safeguard mechanisms and emergency plans.

The Group formulates emergency plans to cope with climate-related natural disasters, including the Snow Storm Emergency Plan of Sunac Property Group, the Typhoon Emergency Plan of Sunac Property Group and the Flood Emergency Plan of Sunac Property Group, which clarify the cycles of extreme weathers and the responsibilities of leaders and employees of functional departments. Take flood control works as an example. The Group estimates that the high frequency cycle of floods in China's southern regions is from May to September. If acute climate events, such as rainstorms and typhoons, occur during the cycle, project managers, as the chiefs of emergency response groups, are responsible for making overall emergency response plans; persons in charge of engineering and persons in charge of order, as the deputy chiefs, are responsible for protecting the equipment rooms, ensuring the drainage works in parks and safeguarding the provision and transportation safety of supplies, with the aim of protecting the safety of employees and property owners, ensuring the continuity of businesses and minimising possible losses.

VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

Case: Flood Control and Guarding the Owners

In July 2021, Henan Province was hit by persistent heavy precipitation, with many areas suffering rainstorms, strong rainstorms and even extreme rainstorms, in some areas. On the eve of the rainstorms, community staff of Sunac communicated extreme weather alerts via circle of friends and groups of owners, reminding the owners to stay safe and make preparations for self-protection purpose. At the same time, our staff paid close attention to weather changes and informed residents of the flood control work to be conducted by the property management offices in a timely manner.

The Group activated emergency response plans and established emergency rescue teams, which built sand walls for basements of communities that were hit hardest by the floods to effectively prevent flooding and adopted immediate measures to drain the water from the basements, aiming to minimise the damage to vehicles of property owners. Sewers in communities were clogged by the rainstorms, and communities faced growing waterlogging stress. With immediate actions including draining the water and checking elevator cars, drainage ditches and sewers, property service staff ensured that the drainage systems of communities worked effectively. When the water level was too high, property service staff employed pumps to drain the water. In the meantime, the staff repaired the damaged facilities and equipment as soon as possible, provided flood control supplies, identified and eliminated potential safety risks, and cleared tree branches blocking the roads, so as to safeguard the personal and property safety of property owners and passers-by.

In the meantime, the Group sent transportation teams with supplies including floor cleaning machines, drinking water and instant noodles immediately without hesitation to projects hit by the floods. The Engineering Technology Centre formed a rescue team of 80 members overnight, who headed for projects in Zhengzhou City to support the post-disaster safety work, to safeguard the safety of property owners and their families.

In response to the flood emergency, the employees of the Company worked in the frontline of flood control, regardless of the danger. For such efforts, they were highly recognised by property owners and the municipal government and highly praised by the provincial department of housing and construction. Henan Branch of Zhejiang New Century Property Management Co., Ltd. was awarded by Kaifeng Municipal Housing and Urban-Rural Development Bureau the honor of "Outstanding Contribution in Flood Control 2021".



VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION

(V) ENVIRONMENTAL GOALS

Based on the historical environmental performance, the Group sets environmental goals in line with the business operation, which include:

Emission reduction goals: Actively respond to the national goals of carbon peaking and carbon neutrality, strictly implement green operations and keep greenhouse gas emission intensity a decreasing trend.

Waste reduction goals: Minimize waste discharge and have 100% of hazardous waste treated harmlessly by qualified suppliers and actively promote waste sorting and management in accordance with policy requirements.

Energy conservation goals: Continuously establish energy management system, promote energy saving equipment and enhance the efficiency in the use of energy.

Water conservation goals: Continuously establish energy management system, promote water saving equipment and enhance the efficiency in the use of water resources.

(VI) ENVIRONMENTAL PERFORMANCE IN 2021

The scope of the data on environmental performance in this report covers the headquarters of the Group, all regional and city-level platform companies and the property management projects and commercial operational projects under their management. Emissions from the operation of the Group mainly include greenhouse gas emissions from the use of energy, and non-hazardous wastes. Non-hazardous wastes produced are collected and sorted for disposal by municipal authorities or qualified cleaning and transportation services providers. Hazardous wastes of small quantity generated during the operation of the Group are all recycled or treated in an environmentally-friendly manner by qualified professional companies, which will have no significant impacts on the environment. The resources used in the operation of the Group mainly include gasoline, diesel, purchased electricity, liquefied petroleum gas, natural gas and water. Since the Group's operation involves very few packaging materials, data on key performance indicator A2.5 – Total packaging material used for finished products is not disclosed. The Group has no problem in sourcing water resources. In 2021, the emission intensity and resource use intensity of the Group both recorded a decline as compared to 2020. For detailed data of key performance indicators on emissions and use of resources, please refer to "Appendix: Key Performance Indicators".



Case: Sunac Services Contributed to Green Asian Games

When providing services for the 19th Asian Games Hangzhou 2022 and the Asian Para Games Hangzhou 2022, the Group followed the "Green, Smart, Economical and Ethical" concept, and, with the standardised cleaning services, will offer a clean, tidy, environmentally-friendly, aesthetically pleasing, comfortable and decent environment to guests, athletes, technical officials, audiences and other groups from home and abroad. In addition, the Group was invited by the 19th Asian Games Hangzhou 2022 Organising Committee to prepare the 19th Asian Games Hangzhou 2022 Waste Management Standards, the 19th Asian Games Hangzhou 2022 Venue Cleaning Service Standards and the 19th Asian Games Hangzhou 2022 Facilities Operation and Maintenance Guidelines, which served as the standards for cleaning and waste management of all athletic venues of the 19th Asian Games Hangzhou 2022 and the Asian Para Games Hangzhou 2022. After the 19th Asian Games Hangzhou 2022 and the Asian Para Games Hangzhou 2022 are concluded, the said standards will serve as the standards for cleaning and waste management of venues in Zhejiang Province.

VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS

(I) SUPPLIER MANAGEMENT

The Group has formulated the Supplier Management Regulation of Sunac Services Group that covers all suppliers and established the supplier management mechanism to ensure that the supplier management system is systematic, standard and effective. Such system specifies the principles and requirements on key links, sets standard management procedures for all links, and promotes supplier management in an effective, comprehensive, systematic, open and fair manner.

The Group promotes whole process management for all suppliers, including access, evaluation, punishment and elimination of suppliers. In terms of supplier access, the Group requires all suppliers to provide relevant qualification documents such as business licenses, financial reports, performance lists and contract evidence. The Group conducts monthly performance evaluations for outsourcing suppliers and semi-annual evaluations for other service and material suppliers, communicates with suppliers on the monthly performance results on the regular basis, and talks with suppliers with unsatisfactory performance in the semi-annual evaluations, urging suppliers to make rectification and improvement. For suppliers that have serious violations during the contract period, the Group adopts compulsory exit measures on them.

The Group attaches great importance to the occupational health and safety of third-party outsourcing personnel, fully implements the work safety requirements set in the standards, provides outsourcing personnel with protective equipment, and requires engineering operation personnel to perform equipment maintenance in strict compliance with safe operation standards. All regional companies of the Group review each project's implementation of management standards on the regular basis, evaluate the performance of each project in terms of safety and health, and assess the service quality of third-party outsourcing personnel and their compliance with health and safety standards every month.

Further, the Group incorporates the consideration of environmental and social performance of suppliers into the supplier management. For the management of environmental performance, the Group appoints professionals of the business department as environmental experts to participate in projects' procurement bidding process, set technical standards and requirements related to environmental impacts that are consistent with products' parameter requirements, and appraise suppliers' samples and product testing reports. Suppliers meeting the environmental standards can enter the subsequent procurement procedures. For instance, in the procurement of trash bins, trash bags and furniture for property management parks, the Group sets environmental requirements and requires suppliers to provide products' environmental impact assessment reports and environmentally-friendly product certificates issued by authoritative organisations. In the management of social performance, the procurement department and the relevant business department visit suppliers of first cooperation for on-the-spot investigations, which cover employees' workplaces and labour rights and interests.

VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS

(II) INTEGRITY OPERATION

The Group is committed to the construction of integrity culture, and strictly abides by national and local policies, laws and regulations on anti-corruption, integrity and business ethics, including the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Banning Commercial Bribery, striving to create clean and honest atmosphere with employees and suppliers. In 2021, the Group did not record any concluded legal cases regarding corrupt practices.

WHISTLE-BLOWING OF CORRUPT PRACTICES

The Group has established a variety of channels for reporting corrupt practices, including telephone, emails and QR codes, to receive reports from employees and other stakeholders. The Group fully protects the legitimate rights and interests of the whistle-blower and regards the work of keeping information of the whistle-blower confidential as the key of daily management requirements. Meanwhile, the Group establishes corresponding measures to reward whistle-blowing and encourage employees to provide their feedback and opinion. The Group develops a strict regulation system on whistle-blowing information, with specialists of the audit and supervision centre being responsible for the matter reported and the information of the whistle-blower. The Group implements the real-name management of the audit system account to ensure that only specialists of the audit and supervision centre have access to the system, so as to ensure the confidentiality and independence of internal audit work.

STAFF'S INTEGRITY BUILDING

The Group has obtained the certification of ISO37001 International Anti-Bribery Management System, and has prepared the Employee Integrity Agreement and required all employees to sign the agreement, which clarifies the code of conduct for employees, urges them to abide by business ethics, and prevents them from giving or requesting improper business benefits, improper use and misappropriation of the Group's property. Through regular audits, special audits, off-office audits and investigations of matters reported, the Group reviews and inspects employees' compliance with the Group's rules and regulations to effectively monitor and restrict operation and management activities and ensure the healthy development of the Company.

SUPPLIERS' INTEGRITY BUILDING

The Group has continuously strengthened the integrity building of suppliers, prepared the Supplier Integrity Agreement, which all suppliers are required to sign, formulated the Regulations on the Management of Red, Yellow and Black Lists of Suppliers to restrict the conducts of all suppliers in contract period, and stipulated the punishment and treatment basis of integrity-related violations.

The Group has specified requirements on the internal and external management relationship of suppliers:

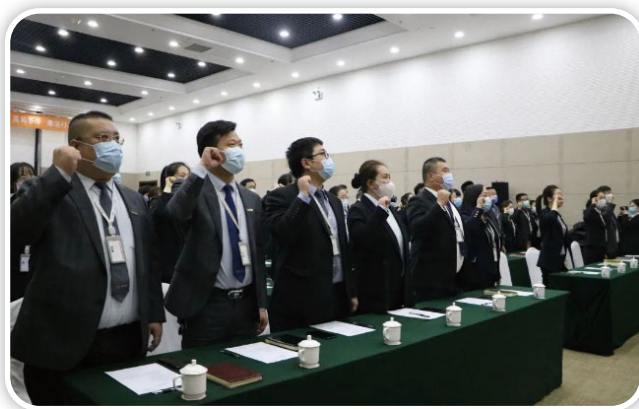
- Suppliers shall fill in the related parties of the Group, including their working areas, departments and positions, in the bidding and procurement system;
- Relevant professional departments review the related-party relationship with the suppliers during the bidding process to prevent risks on the related-party relationship;
- Meanwhile, the Group provides integrity trainings to suppliers to enhance the integrity awareness, which are arranged in meetings with suppliers and delivered in the letter of anti-corruption sent in festivals.

VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS

INTEGRITY TRAININGS AND PROMOTION

As a part of the risk management, the Group organised more than 30 integrity trainings throughout the year, which achieved engagement and coverage of all employees. In the meantime, to further develop and improve employees' integrity awareness, the Group offered compliance trainings for different business lines, which were tailored according to the practical operation of each business scenario and the management requirement, and set special examinations. Only employees passing the examinations can continue to work on their posts. In 2021, the Group also provided anti-corruption and integrity operation trainings to all directors.

On 8 December 2021, the day immediately before the International Anti-Corruption Day, the Group launched the integrity campaign themed "Committed to Transparency and Integrity, Rewarded with Fresh Breeze" (「陽光於心·清風予伴」), held a series of integrity publicity activities such as the pledge of integrity and culture on the wall, promulgated the sunshine declaration and code of conduct for employees, and clarified the Company's red line requirements and code of conduct in light of different business scenarios. All employees of the Group participated in the oath-taking ceremony and signed on the oath. Over 2,000 members of business partners also engaged in the campaign. The event had more than 1,000 video records and over 40 tweets, and witnessed broad interactions within the Group and with business partners, becoming a positive example for practising self-discipline and professional ethics in the industry.



(III) INTELLECTUAL PROPERTY PROTECTION

The Group complies with the Trademark Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China and other relevant laws and regulations. While protecting its own intellectual property rights, the Group advocates that the intellectual property rights of others should be fully respected and protected and the infringement of the intellectual property rights of others should be prevented. The Group has included the clauses for protection of its own intellectual property rights in its standard contracts, which are reviewed by the legal department. Meanwhile, the legal department conducts close monitoring and reminds colleagues of other departments to avoid infringement of the intellectual property rights of others in the course of business. The Group applies for trademark registration for the logos and figures commonly used in daily management, and applies for software copyrights or patent rights registration for self-developed APPs and platform systems.

The legal department of the Group will deal with the infringements of the Group's intellectual property rights. According to the infringements monitored, it will protect the legitimate rights and interests of the Group by issuing written notice, legal action and other ways.

(IV) PUBLICITY AND ADVERTISING MANAGEMENT

The Group strictly complies with the Advertising Law of the People's Republic of China and local policies and regulations, carefully reviews the content of advertisements and ensures that the advertisements are true, legal, scientific and accurate to avoid advertisements with seriously distorted statements.

VIII HARMONIOUS COMMUNITY AND WARM SOCIETY

The Group provides property owners with high-quality services and a new way of living a better family life, and is committed to creating a livable community of co-construction, sharing and common good and building a civilised and harmonious neighborhood and a warm and friendly community environment through community conventions, club activities and community activities. At the same time, the Group focuses on fulfilling its social responsibilities, devotes itself to public welfare undertakings, and contributes to the creation of a warm society.

(I) LIVABLE COMMUNITY CONVENTION

In order to allow more property owners to participate in the process of community maintenance and to jointly create a harmonious community, the Group solicits opinions from, has in-depth communication with, shares insights with, builds friendly cooperation with property owners to draw a beautiful community blueprint, and compiles all sincere expectations into the Group's Livable Community Convention, as a code of conduct for public life in the community, thereby helping property owners to reach consensus on self-discipline and mutual assistance. In April 2020, the Group launched the online event of signing the Livable Community Convention. As at the end of year 2021, more than 33,000 property owners participated in the event on the Group's Livable APP, becoming practitioners of civilised behavior in the community. Good community governance and neighborly harmony fill every corner of the community with benevolence and kindness.

(II) CLUB ESTABLISHMENT

Guided by the "interesting, gathering, loving" idea (「有趣、有聚、有愛」) and based on the space of Livable Community, the Group builds the neighbourhood social platform "Juyouqu" (「聚友趣」) to develop diversified clubs for property owners and their families of different ages and hobbies and to strengthen the emotional tie within the community. In the club management, the Group upholds the concept of "rebuilding neighbouring relationships, meeting intimate friends" (「重塑鄰里關係·邂逅人生知己」), promotes the Sunac community culture of "passion, emotional resonance, love and company" (「有熱愛、有共鳴、愛與陪伴共存」), and advances the common development of property service enterprises and community cultural governance. As at the end of 2021, the Group established 114 clubs in communities across the country, which covered more than 20 hobbies.

Since its establishment, the "Evergreen Club" has developed from a "Baba Dance" group of over 10 members to a volunteer organisation of promoting community culture, consisting of four dancing teams, four boxing and sword teams (Taijiquan and Taiji Sword), one dancing class, one style team, one folk band, one wind band and one waist drum team, with members increasing to more than 800 people. The club won multiple honors in the shows organised in Chongqing City and received strong support from streets and communities. The Group vigorously supported the operation of the Evergreen Club and held anniversary activities for it every year, which was highly recognised by property owners.



Events of the Evergreen Club

VIII HARMONIOUS COMMUNITY AND WARM SOCIETY

Established by the Group at the end of 2021, the “Joy Art Club” is the first club to focus on inheriting traditional culture. In the first event, the club invited Mr. Yang Yi, a renowned crosstalk comedian, to have face-to-face communication with property owners of Sunac Services, who introduced the history and inheritance of Chinese folk vocal art forms and other forms of traditional culture in a relaxing and interesting manner, which was well received by the property owners.



Event of “Joy Art Club”

(III) COMMUNITY ACTIVITIES

The Group attaches importance to the construction of property owners' cultural life and actively organises community activities with different themes, such as Sun Fruit Program (太陽果計劃), Star Cinema (星空影院) and Convenient Service Day (便民服務日); and signature activities for residents of different ages, such as “Walking Future” (健走未來), “Shell Program” (果殼計劃), “Neighborhood Program” (鄰里計劃), “Talent Show” (達人秀) and “Spring Festival Gala” (業主春晚), so as to establish a deep connection between the Group and property owners and build a new pattern of neighborhood in the PRC.



Neighborhood Program – Summer Camp Activity



Sun-Day Super Experience Day Event

VIII HARMONIOUS COMMUNITY AND WARM SOCIETY

(IV) PUBLIC WELFARE ACTIVITIES

In 2021, the Group cooperated with China Children and Teenagers' Fund to initiate the "Sunac Commonweal" Project. With the cooperation with philanthropy platforms, local women's federations, fire brigades, transport departments and other entities, the theme of promoting safety and ecological protection and the philanthropic activities of education classes, interactions and cultural development initiatives, the project is committed to helping families and children of the communities to develop the awareness and improve the ability in security safeguard, self-protection and ecological protection, aiming to build the community culture of safety, environmental friendliness and harmony.

Officially launched in Chongqing on 23 October 2021, "Sunac Commonweal" Project donated RMB500,000 in the first stage, which covered 87 families of the nearby communities and directly benefited more than 900 people. With the implementation of Sunac Commonweal Project, the Group further explored how to improve the safety risk prevention ability and the emergency response capability in the course of serving communities and how to consolidate the community security safeguard strength and mechanism, and fulfilled the responsibility of property service enterprise as an important social force in community governance.

As at the end of 2021, the Group organised a total of 162 volunteers to provide public services, and the total service hours reached 892 hours.



Official launching ceremony of the "Sunac Commonweal" Project



Children of the Sunac community in Chongqing participating in the environmental knowledge popularisation activity

APPENDIX: KEY PERFORMANCE INDICATORS

(I) KEY PERFORMANCE INDICATORS ON EMPLOYMENT

Indicator		Data
Total workforce		38,146
Workforce by employment type	Employee under labour contract	36,607
	Employee not under labour contract	1,539
Workforce by gender ¹	Male	21,155
	Female	15,452
Workforce by age group ¹	30 and below	17,023
	31 to 50	16,912
	50 and above	2,672
Workforce by geographical region ¹	Mainland China	36,607
	Hong Kong, Macau and Taiwan	0
	Other countries and regions	0
Employee turnover rate¹		35.29%
Employee turnover rate by gender	Male	35.61%
	Female	34.83%
Employee turnover rate by age group	30 and below	40.13%
	31 to 50	31.15%
	50 and above	25.70%
Employee turnover rate by geographical region	Mainland China	35.29%
	Hong Kong, Macau and Taiwan	0.00%
	Other countries and regions	0.00%

1 Categorised on the basis of employees under labour contract

(II) KEY PERFORMANCE INDICATORS ON HEALTH AND SAFETY

Indicator	2021	2020	2019
Number of work-related fatalities	0	1	0
Rate of work-related fatalities (%)	0.000%	0.004%	0.000%

The lost days due to work injury in 2021 were 141 days.

APPENDIX: KEY PERFORMANCE INDICATORS

(III) KEY PERFORMANCE INDICATORS ON EMPLOYEE TRAINING

Indicator		Data
Percentage of employees trained by gender	Male	100.00%
	Female	100.00%
Percentage of employees trained by management level	Senior management	100.00%
	Middle management	100.00%
	General staff	100.00%
Average training hours completed per employee by gender	Male	76.83
	Female	83.20
Average training hours completed per employee by management level	Senior management	50.98
	Middle management	85.50
	General staff	77.30

(IV) KEY PERFORMANCE INDICATORS ON EMISSIONS

Indicator	Unit	Performance
Total Greenhouse Gas (GHG) emissions (Scope 1 and Scope 2) ^{2,3}	Tonnes	275,153
GHG emissions (Scope 1)	Tonnes	8,400
GHG emissions (Scope 2)	Tonnes	266,753
Intensity of GHG emissions (Scope 1 and Scope 2)	Tonnes/sq.m. ⁴	0.001
Hazardous wastes ⁵	Tonnes	3
Intensity of hazardous wastes	Kg/sq.m.	0.000
Non-hazardous wastes ⁶	Tonnes	7,073
Intensity of non-hazardous wastes	Kg/sq.m.	0.033

- 1 Based on the nature of the Group's business, gas emissions are mainly GHG emissions generated from the use of fossil fuel-converted electricity and fuels;
- 2 The Group's GHG inventory mainly includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in CO₂ equivalent and is calculated in accordance with the Chinese Regional Power Grid Baseline Emission Factors for 2012 Emission Reduction Projects (《2012年度減排項目中國區域電網基線排放因子》), the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (Revised in 2019) (《IPCC 2006國家溫室氣體列表指南2019修訂版》) and the Accounting Methods and Reporting Guidelines for the GHG Emissions of Other Industrial Enterprises (《其他工業企業溫室氣體排放核算方法與報告指南》);
- 3 GHG Scope 1: covering the GHG emissions directly generated from the Group's operation; GHG Scope 2: GHG emissions (indirect energy) from the Group's consumption of electricity and heat;
- 4 Areas under management of the Group as at 31 December 2021;
- 5 Hazardous wastes mainly include waste ink cartridges, carbon powder, toner cartridges, fluorescent tubes and waste batteries produced in office activities and project operation and maintenance;
- 6 Non-hazardous wastes mainly include office wastes, household wastes, kitchen wastes and construction wastes produced in office activities and project operation and maintenance;

APPENDIX: KEY PERFORMANCE INDICATORS

(V) KEY PERFORMANCE INDICATORS ON USE OF RESOURCES

Indicator	Unit	Performance
Total comprehensive energy consumption ¹	MWh	479,416
Intensity of comprehensive energy consumption	MWh/sq.m.	0.002
Direct energy consumption ¹	MWh	42,437
Gasoline	MWh	809
Diesel	MWh	418
LPG	MWh	805
Natural gas	MWh	40,405
Indirect energy consumption ¹	MWh	436,979
Purchased electricity	MWh	436,979
Water consumption	Tonnes	12,352,367
Intensity of water consumption	Tonnes/sq.m.	0.058

¹ Total comprehensive energy consumption is derived from direct and indirect energy consumption based on the conversion factors as set out in the General Rules for Calculation of the Comprehensive energy Consumption (GB/T2589-2020).

(VI) NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION

Geographical region	Number of suppliers
Mainland China	6,390
Hong Kong, Macau and Taiwan	15
Other countries and regions	1

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Area	Aspect	Disclosure	Chapter
Board Statement		1. Disclosure of the board's oversight of ESG issues.	II THE BOARD'S STATEMENT
		2. Disclosure of the company's/the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG/sustainability issues (including risks to the issuer's businesses).	II THE BOARD'S STATEMENT
		3. Disclosure of how the board reviews progress made against ESG/sustainability goals and targets with an explanation of how they relate to the issuer's businesses.	II THE BOARD'S STATEMENT
Reporting Principles		A description of, or an explanation on, the application of the following reporting principles in the preparation of the ESG report: materiality, quantitative, consistency.	–
		Materiality: (1) the process to identify and the criteria for the selection of material ESG factors; (2) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	I ABOUT THE REPORT (II) REPORTING PRINCIPLES
		Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	I ABOUT THE REPORT (II) REPORTING PRINCIPLES
		Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	I ABOUT THE REPORT (II) REPORTING PRINCIPLES
Reporting Boundary		A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	I ABOUT THE REPORT (II) REPORTING PRINCIPLES (III) SCOPE OF THE REPORT

Area	Aspect	Disclosure	Chapter	
Environmental	A1 Emissions	General Disclosure: A1 Information on:	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (II) EMISSIONS MANAGEMENT	
		(1) the policies; and		
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer		
		relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
		A1.1 The types of emissions and respective emissions data		KEY PERFORMANCE INDICATORS (IV) KEY PERFORMANCE INDICATORS ON EMISSIONS
		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)		KEY PERFORMANCE INDICATORS (IV) KEY PERFORMANCE INDICATORS ON EMISSIONS
A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	KEY PERFORMANCE INDICATORS (IV) KEY PERFORMANCE INDICATORS ON EMISSIONS			
A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	KEY PERFORMANCE INDICATORS (IV) KEY PERFORMANCE INDICATORS ON EMISSIONS			
A1.5 Description of emission target(s) set and steps taken to achieve them	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (II) EMISSIONS MANAGEMENT (V) ENVIRONMENTAL GOALS			

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Area	Aspect	Disclosure	Chapter
		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	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (II) EMISSIONS MANAGEMENT (V) ENVIRONMENTAL GOALS (VI) ENVIRONMENTAL PERFORMANCE IN 2021
	A2 Use of Resources	General Disclosure: A2 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.	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (I) USE OF RESOURCES
		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)	KEY PERFORMANCE INDICATORS (V) KEY PERFORMANCE INDICATORS ON USE OF RESOURCES
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	KEY PERFORMANCE INDICATORS (V) KEY PERFORMANCE INDICATORS ON USE OF RESOURCES
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (I) USE OF RESOURCES (V) ENVIRONMENTAL GOALS

Area	Aspect	Disclosure	Chapter
		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	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (I) USE OF RESOURCES (V) ENVIRONMENTAL GOALS (VI) ENVIRONMENTAL PERFORMANCE IN 2021
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Since the Group's operation involves very few packaging materials, data on this key performance indicator is not disclosed.
A3	The Environment and Natural Resources	General Disclosure: A3 Policies on minimising the issuer's significant impacts on the environment and natural resources.	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (III) ENVIRONMENTAL PROTECTION
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (III) ENVIRONMENTAL PROTECTION
A4	Climate Change	General Disclosure: A4 Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (IV) 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	VI ENVIRONMENTAL PROTECTION AND GREEN OPERATION (IV) CLIMATE CHANGE

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Area	Aspect	Disclosure	Chapter
Social	B1 Employment	General Disclosure: B1 Information on:	V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE
		(1) the policies; and	(I) EMPLOYMENT AND PROMOTION OF EMPLOYEES
		(2) 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.	(II) REMUNERATION AND WELFARE OF EMPLOYEES
		B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region	KEY PERFORMANCE INDICATORS (I) KEY PERFORMANCE INDICATORS ON EMPLOYMENT
		B1.2 Employee turnover rate by gender, age group and geographical region	KEY PERFORMANCE INDICATORS (I) KEY PERFORMANCE INDICATORS ON EMPLOYMENT
	B2 Health and Safety	General Disclosure: B2 Information on:	V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE
		(1) the policies; and	(V) PROTECTING THE HEALTH AND SAFETY OF EMPLOYEES
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	KEY PERFORMANCE INDICATORS (II) KEY PERFORMANCE INDICATORS ON HEALTH AND SAFETY
		B2.2 Lost days due to work injury	KEY PERFORMANCE INDICATORS (II) KEY PERFORMANCE INDICATORS ON HEALTH AND SAFETY

Area	Aspect	Disclosure	Chapter
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	V PUTTING PEOPLE FIRST AND CREATING HARMONIOUS WORKSPACE (V) PROTECTING THE HEALTH AND SAFETY OF EMPLOYEES
	B3 Development and Training	General Disclosure: B3 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.	V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE (VI) EMPLOYEE TRAINING AND DEVELOPMENT
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	KEY PERFORMANCE INDICATORS (III) KEY PERFORMANCE INDICATORS ON EMPLOYEE TRAINING
		B3.2 The average training hours completed per employee by gender and employee category	KEY PERFORMANCE INDICATORS (III) KEY PERFORMANCE INDICATORS ON EMPLOYEE TRAINING
	B4 Labour Standards	General Disclosure: B4 Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE (IV) LABOR STANDARDS
		B4.1 Description of measures to review employment practices to avoid child and forced labour	V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE (IV) LABOR STANDARDS

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Area	Aspect	Disclosure	Chapter
		B4.2 Description of steps taken to eliminate such practices when discovered	V PUTTING PEOPLE FIRST AND BUILDING HARMONIOUS WORKSPACE (IV) LABOR STANDARDS
	B5 Supply Chain Management	General Disclosure: B5 Policies on managing environmental and social risks of the supply chain.	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (I) SUPPLIER MANAGEMENT
		B5.1 Number of suppliers by geographical region	KEY PERFORMANCE INDICATORS (VI) NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION
		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	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (I) 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	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (I) 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	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (I) SUPPLIER MANAGEMENT

Area	Aspect	Disclosure	Chapter
B6 Product Responsibility		General Disclosure: B6 Information on: (1) the policies; and (2) 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.	IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY (I) PRODUCT QUALITY (III) CUSTOMER INFORMATION AND PRIVACY PROTECTION
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	As the Group does not involve in the production of physical products, KPI B6.1 is not applicable
		B6.2 Number of product – and service-related complaints received and how they are dealt with	IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY (II) CUSTOMER COMMUNICATION
		B6.3 Description of practices relating to observing and protecting intellectual property rights	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (III) INTELLECTUAL PROPERTY PROTECTION
		B6.4 Description of quality assurance process and recall procedures	IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY (I) PRODUCT QUALITY
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	IV COMMITMENT TO EXCELLENCE AND BEAUTY AND CREATING LIVABLE COMMUNITY (III) CUSTOMER INFORMATION AND PRIVACY PROTECTION

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Area	Aspect	Disclosure	Chapter
	B7 Anti-corruption	<p>General Disclosure: B7 Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (II) INTEGRITY OPERATION
		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	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (II) INTEGRITY OPERATION
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (II) INTEGRITY OPERATION
		B7.3 Description of anti-corruption training provided to directors and staff	VII STEADY DEVELOPMENT AND COMPLIANT OPERATIONS (II) INTEGRITY OPERATION
	B8 Community Investment	<p>General Disclosure: B8 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.</p>	VIII HARMONIOUS COMMUNITY AND WARM SOCIETY
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	VIII HARMONIOUS COMMUNITY AND WARM SOCIETY
		B8.2 Resources contributed (e.g. money or time) to the focus area	VIII HARMONIOUS COMMUNITY AND WARM SOCIETY



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