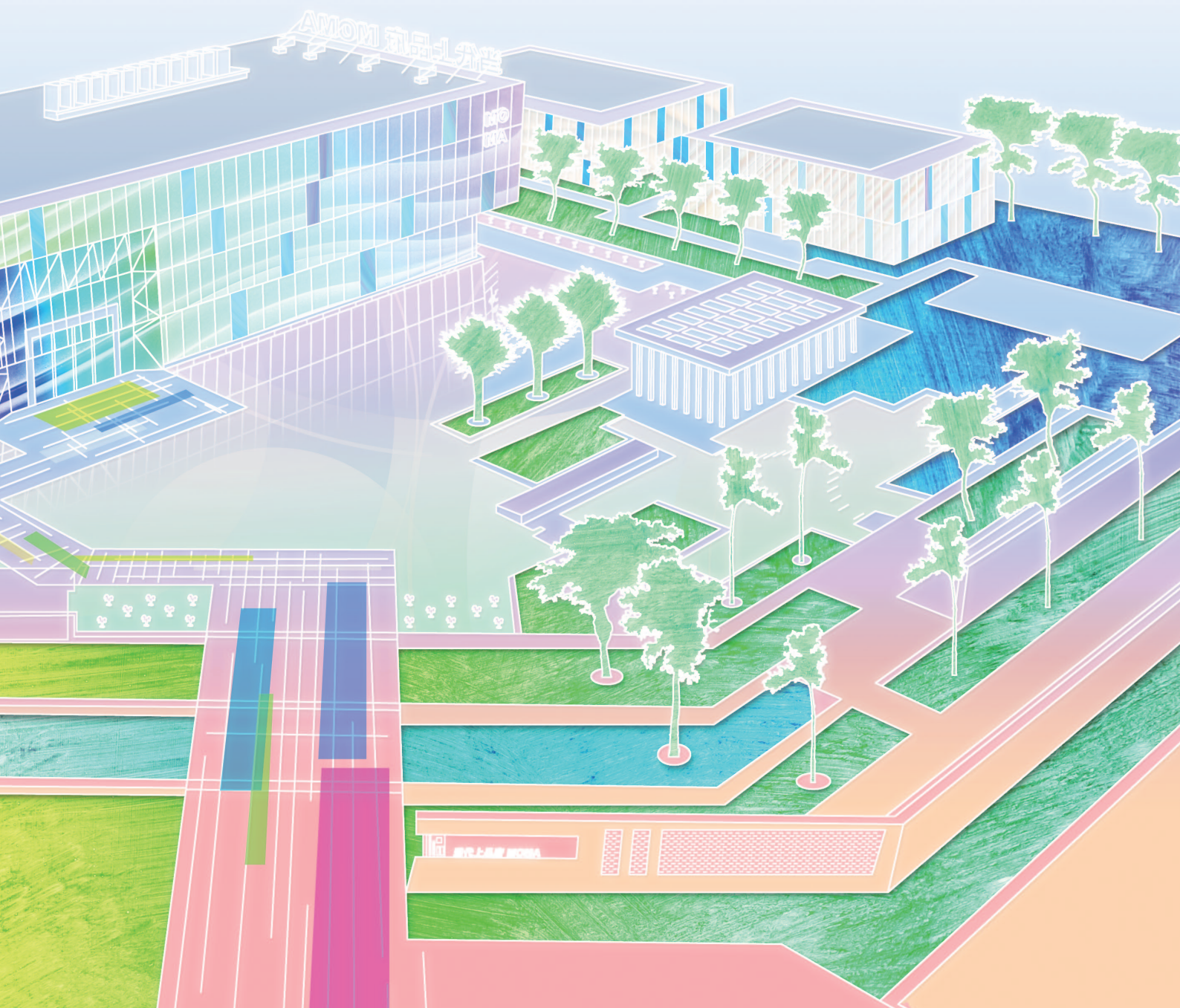


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M O M A F i n e L i v i n g

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022

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Environmental, Social and Governance Report 2022

About this Report

This report is the annual environmental, social and governance (“ESG”) report (the “Report”) released by Modern Land (China) Co., Limited (the “Company”, “Modern Land”, “we” or “us”, together with its subsidiaries, the “Group”). It comprehensively illustrates the Company’s management approach and work performance in respect of the environment, society and governance, and focuses on the matters concerned by the stakeholders as well as the way the Company demonstrates the sustainable development of the economy, environment and society.

Scope of the Report

The Report sets out the ESG performance of the Group from 1 January 2022 to 31 December 2022 (part of the content extends to early 2023). The content of the Report mainly covers the headquarters of Modern Land and city companies and principal subsidiaries in the region (the statistical scope of environmental data is the headquarters). For details, please refer to the 2022 Annual Report of Modern Land. There is no significant change in the main scope for the year as compared with the previous year.

Preparation Basis of the Report

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reporting Principles

This Report has been prepared in accordance with the following principles:

- | | |
|---------------|---|
| Materiality: | we have identified key ESG issues through materiality assessments, the process and results of which have been disclosed in this Report. |
| Quantitative: | The Group has made quantitative disclosures of key performance indicators with historical data in the “Environmental” and “Social” scopes in accordance with the “Key Performance Indicators” requirement in the ESG Reporting Guide. |
| Balance: | The disclosure in this Report strives to achieve an objective, fair and true reflection of the effectiveness and practices of the Group’s work on environmental and social issues in 2022, and to disclose the problems encountered and improvement measures in a responsible manner. |
| Consistency: | We follow a consistent statistical approach to disclosure with previous years and will also adopt a consistent approach to ESG information disclosure in subsequent years to facilitate meaningful comparisons from year to year. |

Access and Response to the Report

The electronic version of the Report can be downloaded from the website of Stock Exchange (<http://www.hkexnews.hk>) and the Company’s website. This Report is published in both Chinese and English. In case of any discrepancies existing between the Chinese and English text, the Chinese version shall prevail. For any comments or suggestions on the environmental, social and governance performance of the Company, please email to ir.list@modernland.hk.

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About Us

Modern Land (China) Co., Limited was established in 2000 in Beijing and listed on the Main Board of the Hong Kong Stock Exchange on 12 July 2013 with qualification in real estate development of the People's Republic of China. The Company was rated as one of "Top 100 China Real Estate Enterprises" (中國房地產百強企業) for seven consecutive years. The Company has always been adhering to the corporate mission of "Hightech Buildings, Green Homeland Community and Beautifying Cities" with the development philosophy of "Natural Simplicity, Harmonious Health, Simple Focus and Endless Vitality", and focusing on the theme of "Action of Loving My Homeland", creating life experience with sincerity and authenticity for clients, and good social benefits for the whole society.

The Company devotes itself to developing its core competitiveness as a homeland of "Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-life Cycle Industrialised Communities", successfully establishing "MOMA" (i.e. The Museum of Modern Architecture, meaning new architecture of science and art) as the iconic brand of green technology real estate operators in China. MOMA consists of four text graphics "M", "O", "M", and "A". Two "Ms" symbolise our home, "O" represents the origin of the universe and "A" stands for human. The left and right half of the pattern symbolise architecture and life, respectively.

In 2015, Modern Land collaborated with China Habitat and Environment Committee (中國人居環境委員會) of China Real Estate Association to promote the national project deployment and industry standards for green residences. In 2022, the Company continued to increase its focus on green business, working with industry partners and organizations to promote green business. Our projects such as Modern Wan Guo Cheng MOMA (Tongzhou) in Beijing, Modern Zhu MOMA (Taiyuan), Modern Fu MOMA (Shijiazhuang), Modern Hankou Wan Guo Fu MOMA (Wuhan) also won several prestigious green building awards at home and abroad.

Projects developed by the us in China are required to meet domestic green building standards. The Company has been granted various green technology awards: Modern MOMA was the first residential project in the country which won the international green building award, the LEED-ND Certification granted by the United States Green Building Council; the Company has won the best green building certification award in China — the Three-star Green Building operation logo for many times, as well as the country's first renewed green building three-star operation logo.

Modern Land adheres to the principle of "Technological Architecture, Green Homeland Community and Beautifying City", and strives to achieve zero emissions, zero carbon, and zero pollution, and reduce the heat island effect. It aims to improve the comfort of buildings, meet the coordination of energy, comfort and environment, and contribute to the better development of cities and better human settlements.

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Statement of the Board of Directors

We are fully aware of the importance of good corporate governance and risk management processes, including the management of ESG issues that are critical to corporate sustainable development.

The Board of Directors is the highest decision-making body for ESG management, guiding the direction of the Group's sustainable development and setting the overall vision, objectives and management strategies for sustainable development. The ESG Committee of the Board is responsible for reviewing ESG-related content and making recommendations to the Board for approval. All departments under the Board cooperate with the ESG Committee in the implementation and execution of the relevant ESG work.

Based on the external socio-economic environment and the Company's development strategy, the Board of Directors of Modern Land regularly reviews ESG materiality issues, discusses and identifies ESG risks and opportunities, manages and enhances key issues as part of the annual ESG strategy and considers them as part of the Company's overall strategy development, and oversees issue management and performance.

After substantive issue identification, ESG issues such as green buildings and green technological innovation ranked higher in importance. We have always adhered to the corporate mission of "Technological Architecture, Green Homeland Community and Beautifying City", focusing on the "Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-lifecycle Industrialised Communities", and engaging in the research and development and practice of green building, healthy building, active building, 100-year housing, passive house, green living area, net-zero-energy building, and productive building.

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ESG Governance

The Board of Directors is the highest decision-making body for the Company's ESG efforts and assumes full responsibility for the Company's ESG strategy and reporting. Key responsibilities include:

- Determining the Company's overall ESG management objectives, management strategy;
- To be responsible for assessing and determining the Company's ESG-related risks and ensuring that the Company has an appropriate and effective ESG risk management and internal control system;
- Review major ESG management issues, including but not limited to the annual ESG report review.

The Company established the ESG Committee by resolution of the Board of Directors, of which the main responsibilities are:

- ESG governance vision, objectives, strategy and structure
 1. review the Group's ESG vision, strategies, objectives and strategies, and review annually the progress of the achievement of the relevant objectives and offer recommendations to the Board, including but not limited to the following issues (a) environmental aspects: the impact of the Group's operations on the environment, such as energy management, emission management, carbon neutrality and climate change response, etc.; (b) social aspects: the impact of the Group's operations on various stakeholders such as customers, employees, suppliers and the community, such as staff employment and health and safety, product responsibility and customer management, sustainable supply chain, charity and social welfare, etc.; and (c) governance aspects: the Group's internal corporate governance, such as compliant operation with integrity, anti-money laundering and anti-unfair competition, etc.
 2. review and evaluate the adequacy and effectiveness of the management structure of the ESG and make recommendations to the Board of Directors for approval (if necessary).
 3. adopt and update the ESG policy of the Group as necessary to ensure compliance with legal and regulatory requirements.
 4. review the major trends as well as risks and opportunities in ESG development, and to report and make recommendations to the Board of Directors on relevant matters that have a significant impact on the Group's operations and/or the interests of other significant stakeholders.
- ESG Performance
 1. oversee, review, evaluate and report to the Board of Directors on the actions taken by the Group to promote its ESG objectives, strategies and structure; and the Group's performance against appropriate international or national standards (where applicable) in relation to ESG.
 2. monitor the internal work on ESG and make recommendations for its improvement.

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➤ ESG Report

1. review and recommend to the Board of Directors for approval of the annual ESG Report and recommend specific actions or decisions for consideration by the Board of Directors in order to maintain the integrity of the ESG Report.
2. ensure that the Company's annual ESG Report is prepared in accordance with the ESG Reporting Guide.
3. determine the appropriate international or national standards for ESG, where applicable, and to monitor and report annually.

At the same time, the relevant departments are responsible for the implementation of the ESG-related work of the Company with reference to the ESG indicator system and under the unified coordination and organization of the ESG Committee in accordance with the division of responsibilities.

Corporate ESG Governance Framework and Key Responsibilities

The Board	➤ Determining the Company's overall ESG management objectives, management strategy;
	➤ To be responsible for assessing and determining the Company's ESG-related risks and ensuring that the Company has an appropriate and effective ESG risk management and internal control system;
	➤ Review major ESG management issues, including but not limited to the annual ESG report review.
ESG Committee under the Board	➤ ESG governance vision, objectives, strategy and structure;
	➤ ESG Performance;
	➤ ESG Report.
ESG-Relevant Departments	➤ The relevant departments are responsible for the implementation of the ESG-related work of the Company with reference to the ESG indicator system and under the unified coordination and organization of the ESG Committee in accordance with the division of responsibilities.

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Communication With Stakeholders

Modern Land duly considers and effectively responds to the expectations and appeals of stakeholders, in an effort to advance the social development while sharing development results with them.

Stakeholders	Expectation of stakeholders	Communication and engagement mechanism	Corporate responses
Investors	<ul style="list-style-type: none"> Boost the Company's market value and profitability Continuously improve the Company's environmental and social responsibility performance 	<ul style="list-style-type: none"> General meeting, information disclosure and company's website 	<ul style="list-style-type: none"> Release periodic reports, disclose information in a truthful and comprehensive manner, endeavour to improve results and generate profits Advance corporate governance and risk management level, convene general meetings, enhance investor relations management and strive to improve environmental and social responsibility management
Customers	<ul style="list-style-type: none"> Provide quality products Safeguard customer's legitimate interests 	<ul style="list-style-type: none"> Sign contracts and agreements, and customer satisfaction survey 	<ul style="list-style-type: none"> Provide a highly comfortable, green and energy saving living space Establish a sound customer service system and customer opinion, feedback and complaints mechanism
Employees	<ul style="list-style-type: none"> Uphold employee remuneration and benefits Care for safety and health of employees Offer equal promotion and development opportunities Improve communication mechanism, participate in company management 	<ul style="list-style-type: none"> Labour contracts and employee satisfaction survey 	<ul style="list-style-type: none"> Strictly abide by the items of labour contracts, improve remuneration and benefit system Provide a safe and healthy work environment Offer dual-channel career development and organize staff training Offer equal communication channels
Government	<ul style="list-style-type: none"> Observe the law, operate in compliance with the regulations, and in line with national policies 	<ul style="list-style-type: none"> Engage in relevant meetings 	<ul style="list-style-type: none"> Strictly observe relevant laws and regulations, continuously enhance corporate compliance management, and respond to national policies

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Stakeholders	Expectation of stakeholders	Communication and engagement mechanism	Corporate responses
Suppliers	<ul style="list-style-type: none"> Fair and impartial cooperation with integrity, mutual benefits and win-win to promote industry development 	<ul style="list-style-type: none"> Sign contracts and agreements, and regularly hold tender and bidding, and supplier meetings 	<ul style="list-style-type: none"> Actively perform the contracts and agreements by adhering to public and transparent business principles, adopt public and transparent procurement model, and develop an accountable supply chain
Community	<ul style="list-style-type: none"> Co-construct community civilization Support community public welfare Focus on social development 	<ul style="list-style-type: none"> Advocate and organize charitable activities, take part in voluntary activities, and employment guarantee 	<ul style="list-style-type: none"> Construct harmonious and civilised community Devote to the public welfare by carrying out extensive charitable activities Aim to promote local employment
Peers	<ul style="list-style-type: none"> Fair competition, cooperation with integrity, transparent and public information Comply with industry standards, and advancement of industry innovation 	<ul style="list-style-type: none"> Communicate with relevant research institutes, associations, and mainstream media¹ in the industry 	<ul style="list-style-type: none"> Strengthen exchanges and cooperation with peers, jointly develop a healthy and orderly competition environment Participate in industry innovations and researches and appraisal of outstanding enterprises, achieve mutual benefits, win-win and mutual improvement, and put forward proposals for industry standard

¹ Examples are Chinese Society for Urban Studies (中國城市科學研究院), Habitat and Environment Committee (人居環境委員會) of China Real Estate Association (中國房地產協會), and China Real Estate Business (中國房地產報).

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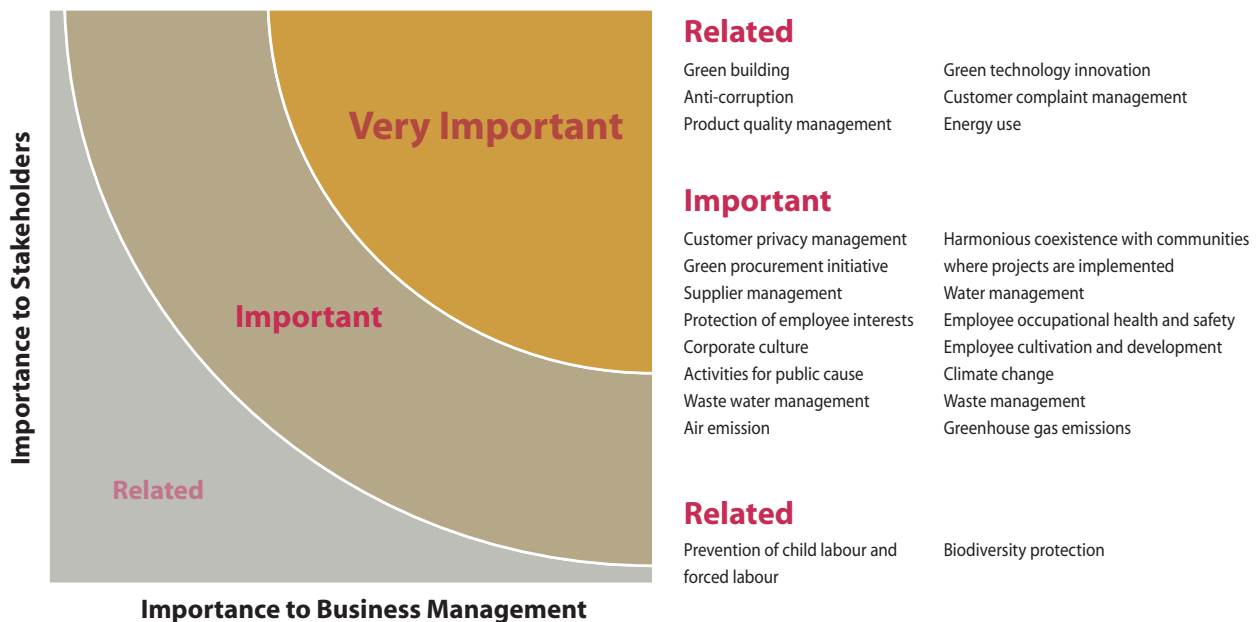
Identification of Material Issues

Under the requirements of the ESG Reporting Guide issued by Stock Exchange and with reference to the procedures for materiality analysis formulated by the Global Reporting Initiative (“GRI”), Modern Land collects data of the issues of concern to major stakeholders through questionnaire, interview and other forms, and conducts analysis on their importance and prioritise accordingly, to finalise the substantial issues of the environmental, social and governance aspects and make disclosure thereof in the Report.

Four steps of procedures for identification of material issues are as follows:

- Identify. Relevant ESG issues with reference to the ESG Reporting Guide issued by Stock Exchange, GRI Sustainability Reporting Guidelines (GRI Standards version) and those disclosed by our peers at home and abroad;
- Prioritise the issues. Major considerations of internal stakeholders while conducting materiality assessment, include the impacts on our corporate strategies, policies, procedures and commitments, impacts on the Company’s competitive edges and management excellence, and current and future financial impacts on the Company; and major considerations of external stakeholders include the impacts on the Company’s evaluation and decision-making, and on the interests of themselves;
- Verification. The Company’s management reviews and approves the issues so identified and their priorities;
- Review. After this reporting period, the Company will seek feedback from internal and external stakeholders on the contents of the Report for this period, to prepare for the report for the next period.

The chart below is the analysis matrix of Modern Land’s materiality issues in 2022.



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1. GREEN TECHNOLOGY AND INNOVATIVE DEVELOPMENT

1.1 Green Strategy and Development Plan

As a leader in China's energy-saving real estate industry, Modern Land always follows the philosophy of balancing economic and social development while practising environmental protection. Since its incorporation, the Company has been living up to its social responsibility and never forgets to give back to society in the process of its ongoing development. During the 14th Five-Year Plan period, "Healthy Development" will be the main focus of the real estate industry. The relevant authorities in China have made it clear that green and energy saving buildings are the inevitable development trend of China's real estate industry in the future. Shortly after its inception, the Company began to delve into research and development of the green and energy-saving real estate, thereby creating first-mover advantage and has obviously secured a leading position in its market segment.

We always adhere to the development concept of "High-tech Buildings, Green Homeland Community and Beautifying Cities" with the development philosophy of "Natural Simplicity, Harmonious Health, Simple Focus and Endless Vitality". With a strategical focus on the quality of living products and services offered to owners, the Company pays great attention to innovative product ideas, personalised design, comfortable living experience, and meticulously designed properties. In terms of planning and design and product development, the Company works to improve product quality with green, healthy technologies and upgrade customers' lives with comfortable, energy-saving living experience, thereby creating a green and healthy composite community. Meanwhile, focusing on the theme of "Action of Loving My Homeland", the Company is committed to supporting various long term social welfare projects and actively investing resources to participate in environmental protection, education and other public welfare activities.

We aspire to ensure sustainable business development and operate in an environment-friendly manner and bring shareholders of the Company stable and long-term returns while protecting the environment. In addition, the Company, as an enterprise with great integrity and high operational standards, wishes to bring positive energy and contribute to the community on a continuous basis. As a leader in energy-efficient real estate sector, Modern Land will definitely create more value and continuously contribute to the society under the guidance of the concept of sustainable development.

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Modern Land will persevere in strengthening its ability to innovate in green technology to increase the proportion of green technological achievements applied in practice. Modern Land formulated a green development plan for 2021–2024, as shown in the table below:

Plan for 2021–2024

Green Building Label — Design	From 2021 to the end of 2024, Modern Land will gradually develop projects all in accordance with the basic standards of China's new standard Assessment Standard for Green Buildings (《綠色建築評價標準》) GB/T50378-2019. The area of green buildings with two stars or above will account for more than 30% of the area of green buildings.
Green Building Label — Operation	Modern Land will maintain its leading position in China in terms of projects with the Operation Label. Modern Land will have seven projects awarded the Three-star Green Building Label — Operation by 2022.
Green residential areas	By the end of 2024, the green residential projects of Modern Land will continue to develop steadily.
Healthy residential housing	By the end of 2024, Modern Land will have healthy building certifications for 10 projects.
Renewable energy application	Modern Land will raise the proportion of use of renewable energy to total energy demand of development projects in the same period to over 50% by the end of 2024.
Passive ultra-low energy use	Modern Land's first demonstration project for passive ultra-low energy building will be completed in Shijiazhuang, Hebei Province in 2022.
Demonstration projects for green construction	Modern Land will have 50% of newly developed projects as green construction demonstration projects by 2024.
Research and development of technology patents	Modern Land will guarantee to apply for not fewer than ten technology patents annually through continuous technological research and development.
Cloud-based platform for green technology information across the industry chain	Modern Land will improve the building and basic function development of the cloud platform, establish a complete information collection system and big data analytics functions, and provide data access for typical projects inside and outside the Group; add deep data mining and processing functions with information in the cloud platform, and develop and improve functions such as in-depth energy auditing and lifecycle delicacy management functions; and provide in-depth services such as green funds, technology services, and O2O websites.

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1.2 Improvement of the Ability to Innovate in Green Technology

As the real estate industry enters a new stage of high-quality development, the demand for higher residential quality is pushing property developers to improve product and service standards and optimise and upgrade design for traditional residential products. Since its inception, Modern Land has been devoting itself to the development of "Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-life Cycle Industrialised Communities". This development idea of taking green technology as core competitiveness fits with people's standards and expectation for lives in a post-epidemic era. Therefore, green residences will become a new real estate trend. Modern Land insists on being an implementer and the leader of green technology real estate to achieve the Company's strategic business objectives.

Modern Land has an in-house research, development and design department and developed a number of technological architecture systems such as geothermal pump system, ceiling radiation cooling and heating system, exterior temperature preservation system, high performance exterior window system, full displacement ventilation system and noise reduction system, providing MOMA products with fine characteristics. While establishing a living environment with high comfort level by maintaining indoor temperature between 20°C and 26°C and humidity between 30% and 70%, its energy consumption is estimated to be only 1/3 of the energy consumption level of normal residential buildings in China, which demonstrates significant energy efficiency while enabling a high level of comfort.

Modern Land's product and R&D team continued to innovate in green building technology. With respect to our corporate strategy, we have formulated the mid-term technical roadmap for low carbon building and carbon reduction and energy saving based on the development targets of "National Dual Carbon Strategy" and "Carbon Peak and Carbon Neutrality", and charted our "Three 75s" development strategy for low carbon products which refer to increasing the comprehensive energy saving rate of exterior building to 75%, raising the electrification rate of building operation energy consumption to 75% and improving the proportion of clean energy (green electricity) to total energy consumption to 75%, striving to achieve the carbon peak target in the Company's newly developed community by 2030 through gradual attainment of the above three goals in phases.

With respect to product innovation, Modern Land continued to upgrade each standardized product line in 2022 by constantly improving its Four HENG technology to achieve a more permeable exterior building system, a better interaction between indoor and outdoor environments and a more convenient experience for building users while maintaining the characteristics of high comfort and low energy consumption.

Regarding the R&D in green living solution, we have made the following progress in 2022:

- We have completed the construction of the entire cloud platform program framework in the development and deployment of cloud platform with AI-driven intelligent operation and maintenance, as well as the program development of each major function such as AI algorithm modeling, AI model self-learning and training, AI model scheduling, AI model-based optimization algorithm, and AI failure mode automatic identification. The project has declared 2 computer software copyrights, and has completed the deployment of a number of practical projects, and is conducting the final functional tests before commercialization;
- We have upgraded the dinosaur system of passive house, which significantly reduced mechanical noise, enhanced the efficiency of purification and dust removal, and improved the control system and has commenced operation in practical projects;

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- We continued to improve the R&D in prefabricated radiant ceiling system products through relentless practical experiments on various sample projects to constantly enhance our products, with a view to achieving various targets such as perfect integration with prefabricated indoor furnishing products, significantly shortening the construction period, lowering the construction cost and effectively reducing carbon emission during fitting out process;
- We have developed a new model of the “Flexible” FOUR HENG system, which is partially centralized and partially separated, by leveraging on the AIOT (an integration of AI and IOT), smart home and our self-developed flexible dinosaur system, addressing various current issues such as subsequent charging difficulties on the centralized FOUR HENG system and high failure rate and high subsequent cost of use for separated FOUR HENG system. It is expected to further reduce energy consumption, carbon emission and operation cost and meet the diversified needs of customers more flexibly. One utility model patent has been applied for this project;
- We have completed the R&D in multi-functional control panel for smart home, and achieved an integration between smart home panel, air conditioner panel and intercom access control panel, thereby realizing the interconnection between the property service system in the community and smart home control panel. We are also developing a smart home integrated panel based on Harmony OS system.

All the above R&D capabilities have laid a solid foundation for our future development in green living solutions.

In the future, we will continue to make efforts on green building products by further exploring product integration and intelligentization, etc., to integrate the green building and E&M technology that Modern Land specialises in with the smart community and smart home scenes to provide customers with an overall solution for living products with higher cost effectiveness, and coupled with the progress of project development, to realize the construction of low carbon building and zero carbon building as soon as possible.

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1.3 Application of Innovation in Green Technology

In June 2022, Beijing Wanguocheng MOMA was awarded the 2022 Beijing Energy Saving Incentive Fund for Energy Saving Technological Improvement Projects of Energy Consuming Units in Beijing, which is the second time for Modern Land to be awarded with this award after 2020.

In July 2022, Binjiang Shang Pin MOMA Phase I 1#, 2#, 3# and 5#, jointly built by Modern Land, NCUCID and Bright Real Estate, won the Nanchang City Quality Construction Project Award.

In August 2022, Modern Land was successfully selected into the “2022 China Green Low-Carbon Property Index TOP20” and won the “2022 China Whole-Decoration Enterprises TOP10”, “2022 China TOP10 Prefabricated Buildings Enterprises”, Modern Hankou Wan Guo Fu (Wuhan) MOMA won the “2022 China Green Low-Carbon Property TOP10”.

In December 2022, Modern Land won the “Better Life Leading Brand” award at the 2022 China Urban Innovation and High-Quality Development Forum and the 9th China Property Huabiao Award Ideal Life Ceremony, and was also invited to become a member unit of the “China Property Huabiao Award Home Building Materials Work Committee”.



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In December 2022, Modern Land won the top 10 China Green Building Operators in China in 2022, and Modern Fu MOMA (Shijiazhuang) won the top 10 Green Building Benchmark Projects in 2022.



In February 2023, the “Green Residential Standard” co-edited by Modern Land won the first prize of the “2022 Standard Science and Technology Innovation Award”.

1.4 Protection of Intellectual Property Rights

In accordance with the Patent Law of the People’s Republic of China《中華人民共和國專利法》, Trademark Law of the People’s Republic of China《中華人民共和國商標法》 and Copyright Law of the People’s Republic of China《中華人民共和國著作權法》, Modern Land has formulated the Operational Standards of Intellectual Property Rights Management of Modern Land V9.0 (《當代置業知識產權管理作業標準V9.0》) to enhance the awareness of its own intellectual property rights and to clarify the standards and processes for the creation, utilization, management and protection of the Company’s intellectual property rights:

- (1) Strengthen the ideology guidance and strategic objectives of enterprise intellectual property rights work. In accordance with the principle of encouraging creation, effective use, and scientific management, we will strengthen the management of intellectual property rights with emphasis on trademark rights, patent rights, and trade secrets, improve the intellectual property rights system, optimize the intellectual property rights environment, and strive to enhance the Company’s ability to create, use, protect, and manage intellectual property rights.
- (2) Coordinate, arrange, study and formulate a systematic intellectual property strategy of the Company, closely integrate the Company’s intellectual property strategy with the operation strategy, R&D strategy, market competition strategy and talent strategy, and incorporate into the whole process of the Company’s scientific research, production operation and management and establish the strategy. Develop and implement a perfect feedback closure process.
- (3) Strengthen scientific research and development, and strive to promote the transformation of intellectual property achievements. We attach great importance to scientific and technological innovation, and has set up an internal R&D center to continuously introduce and train scientific and technical personnel and fully utilise their technological innovation capabilities.
- (4) Coordinate and strengthen the control of intellectual property risks, and establish an early warning and control mechanism for intellectual property risks, starting from strengthening the organization and system construction. Put in place prevention of intellectual property rights legal risks in advance, and control and response afterwards.

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The intellectual property department routinely maintains our existing and pending trademarks, patents, copyrights and other intellectual property-related content in the form of monthly reports, and works with the legal department to prevent external infringement of trademarks. We advocate, encourage and insist on independent innovation and creates patents, trademarks, as well as art works and computer software works according to its business needs, and files them in a timely manner.

As at 31 December 2022, Modern Land owns 144 patents for core green-related technologies, covering green building materials, green technologies, green products and other aspects; we have received more than 200 industry patents, over 200 green building honors, 28 green residences, and honors such as LEED-ND certification and WELL BUILDING certification in the United States.

1.5 Promoting Green Development of the Industry

Modern Land continued to actively participate in the revision of industry standards in 2022, contributing to the standardization of industry standards and promoting the healthy development of the industry. As of the end of 2022, Modern Land compiled a total of 12 industrial group standards as follows:

Summary of Green Building Standards the compilation of which Modern Land has participated in

Standard Name	Content
The Design and Evaluation Standards for Hundred-year Residence	<p>On 28 March 2018, the Design and Evaluation Standards for Hundred-year Residence was compiled by China Institute of Building Standard Design & Research and other units, and approved and published by the Construction Industrialization Branch of China Association for Engineering Construction Standardization. The release number is T/CECS-CREA 513-2018, effective from 1 August 2018.</p> <p>Modern Land is a participating unit in the compilation of the Design and Evaluation Standards for Hundred-year Residence. The standard is based on the concept of "China's 100-year residential construction technology system" and the SI building general system, which comprehensively realizes the longevity performance, quality performance, green and low-carbon performance of residential buildings, and has a milestone significance in promoting the transformation and upgrading of China's residential industry.</p>

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Standard Name	Content
The Evaluation Standards for Fully-furnished Residence	<p>The Evaluation Standards for Fully-furnished Residence was mainly organized and promoted by China Real Estate Chamber of Commerce, Modern Land and Vanke. It was also promoted by the Full Decoration Council of China Real Estate Chamber of Commerce, and drafted by China Academy of Building Research. It combines the wisdom of more than 20 benchmark real estate enterprises, while encompassing the full decoration industry chain upstream and downstream of more than 50 benchmark enterprises of the standard system and related standards. It went into the full decoration, fine decoration benchmark projects and industry chain supporting the benchmark enterprises for research, study, exchanges, summing up, etc., and during the preparation process, the project was preliminarily evaluated and continuously revised. After one year and more than ten special seminars, and through extensive solicitation of industry opinions, the preparation of the universal standard was finally completed.</p> <p>The standard addresses the problems of full decoration of residential buildings in China in terms of decoration pollution, lack of storage, leakage of decoration, noise and other problems. It promotes the concept of suitable, green, comfortable, healthy and intelligent total decoration. Through the indicators of function, performance, materials, components, construction, acceptance, enhancement and innovation in a tabular, data-driven and information-based manner, it facilitates easy self-assessment and peer-assessment of evaluation subjects, laying a good foundation for the wide application of the standard in the market in the future.</p>
Technical Regulations for Delivery and Acceptance of Finished Residential Housing Projects	<p>The Technical Regulations for Delivery and Acceptance of Finished Residential Housing Projects the compilation of which we have participated in has entered the final review and modification stage. This regulation introduces in detail the acceptance objects, acceptance standards and inspection methods of finished residential buildings, focusing on comprehensive acceptance from the three aspects of safety, function and sensibility. Compared with other standards, it is more systematic and practical, and it is positioned as a useful acceptance evaluation standard and tool for industry practitioners before delivery and acceptance of finished housing.</p>
Standards for Green Residential District	<p>In 2014, the first volume of the Standards for Green Residential District was published and implemented by the China Association for Engineering Construction Standardization. In 2017, the revision work of the Standards for Green Residential District was officially launched, and Modern Land was invited to participate in the compilation work. It took more than a year to bring together outstanding experts and organizations both at home and abroad, to seriously sum up China's construction practice, to absorb and draw on advanced international concepts, methods and successful experiences, and to successfully complete the revision work on the basis of extensive consultation. The new standard came into effect on 1 February 2019</p>

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Standard Name	Content
Evaluation Criteria for Health Orientated Buildings T/ASC 02-2021	On 1 September 2021, the Evaluation Criteria for Health Orientated Buildings, which was mainly compiled by China Academy of Building Research alongside with Modern Land and other enterprises, was published. Its release number is T/ASC 02-2021 and it came into effect on 1 November 2021. The 2016 version of this standard builds a healthy building technology system and also gave birth to a new industry. Healthy buildings regard "air, water, comfort, fitness, humanity, and services" as core elements. It provides a systematic and mutually supporting collaborative cooperation platform for multiple disciplines, fields, and industries such as architectural science, digital science, public health, food nutrition, sports fitness, and health management.
Calculation Standards for Carbon Emissions of Residential Complete Decoration Projects	The promotion of Calculation Standards for Carbon Emissions of Residential Complete Decoration Projects, which we will participate in compiling, was successfully held online. The standard estimates and accounts for the carbon emissions of residential full decoration projects, and scientifically quantifies and evaluates the level of carbon emissions from decoration projects throughout the life cycle of a building, so as to achieve the carbon reduction target of building decoration projects.
The Assessment Standard for Plus-energy Building	The Assessment Standard for Plus-energy Building is jointly compiled by Chinese Society for Urban Studies (中國城市科學研究院), China Academy of Building Research (中國建築科學研究院有限公司), Modern Land and other enterprises., and the consultation is complete. Plus-energy building is intended to reduce the building's cooling and heating needs through passive design and to improve the energy efficiency of active energy systems to achieve ultra-low energy consumption, based on which renewable energy is used to balance the building's energy consumption and achieve an energy surplus. The standard is designed to reduce energy demand from building planning and design stage, according to the characteristics of the building itself and the location of the site resources to select the appropriate type of renewable energy, fully exploit the potential of renewable energy applications in the building and its site boundaries, and promote the upgrading of building energy saving standards.
The Standard for Digital Building Maintenance Data	The Standard for Digital Building Maintenance Data that we involved in the preparation, is in the stage of consultation. This standard was mainly compiled by China Association for Engineering Construction Standardization, Tsinghua University and Persagy Technology, while Modern Land's associated company First MOMA also participated in the compilation. The standard is mainly used to regulate the content (or information) and application data requirements of building digital operation and maintenance data, to meet the demand for efficient interoperability and utilization of operation and maintenance data, to realize intelligent and refined building operation and maintenance management, and to safeguard the development demand for more stable, efficient, energy-saving and carbon-reducing building operation.

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Standard Name	Content
The Assessment Standards for Ultra-Low-Energy Buildings	The Assessment Standards for Ultra-Low-Energy Buildings which was jointly compiled by the Chinese Society for Urban Studies and the Deutsche Energie-Agentur (德國能源署會) together with First MOMA and other relevant units, was formally released on 14 May 2021 and came into effect from 14 June 2021 onwards. This standard is the standard of the Chinese Society for Urban Studies, numbered T/CSUS15–2021.
The Assessment Standards for Active House T/ASC14–2020	The Assessment Standards for Active House T/ASC14–2020 is a book published by the China Architecture & Building Press. Its author is Velux China Limited. According to the requirements of the China Architectural Society “On the Release of the 2020 China Architectural Society Standard Compilation Plan (the first batch)”, the compilation team, after extensive investigation and research, in-depth analysis and testing, seriously summed up the practical experience, with reference to the relevant domestic and foreign technical standards, and on the basis of extensive consultation, has formulated the present standard for the purpose of promoting the concept of proactive building, improving the quality of indoor environment, energy efficiency and environmental benefit of the building, and realizing a comprehensive balance of health, comfort, resource conservation and environmental protection.
The Technical Regulations for Fresh Air Purification System for Primary and Middle Schools The Design Principles for Fresh Air Purification System for Primary and Middle Schools	On 12 September 2017, the Design Principles for Fresh Air Purification System for Primary and Middle Schools (T/CAQI 28-2017) and the Technical Regulations for Fresh Air Purification System for Primary and Middle Schools (T/CAQI 30-2017), which were both China’s Quality Inspection Group standard that First MOMA was in compiling, were formally approved for release and became effective on 1 October 2017. The implementation of this group standard promotes the introduction of fresh air systems into school campuses. From now on, it will be possible to configure and renovate a large number of new and existing primary and secondary schools according to a systematic approach, which will bring great protection to the physical and mental health of students.

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Case: Chairman Zhang Peng writes in “Architecture” magazine: Let green building technology serve human settlements and “build” a better life

On December 2022, Chairman Zhang Peng published an article “Let green building technology serve human settlements and ‘build’ a better life” in “Architecture”, which is published by the Architecture Magazine, the only directly affiliated journal publishing unit under Ministry of Housing and Urban-Rural Development. The article focuses on “comprehensive upgrade of green technology to create a green and healthy life” and the “interpretation of the triple value of green technology buildings” for discussion. In accordance with relevant national standards, the green building rating system includes five dimensions: safety and durability, health and comfort, convenience of life, resource solution and livable environment. The Company’s experience and insights gained from its long journey of discovery coincide with the requirements of this philosophy — we believe that the ultimate goal of all green building technologies is to serve human beings and contribute to a better life.



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Case: Mr. Chen Yin, executive director of Modern Land, was invited to participate in the academic activities of the Green Building Academic Committee of the Architectural Society of China

On 6 March 2023, the second council meeting of the Green Building Academic Committee of the Architectural Society of China and the 2023 Green Low-Carbon Building Design Forum were held at the Chengdu Agricultural Expo Park. Mr. Chen Yin, an executive director and chief technology officer of Modern Land, was invited to participate in the meeting as a council member. He delivered a speech at the design forum on 7 March with the theme of “New Paradigm of Architecture under the Vision of Carbon Neutrality — Three Possible Directions for the Evolution of Architectural Forms.” Chen Yin pointed out that facing the grand vision of carbon neutrality in 2060, we need to realize that it is not just about a technical operation, but also a profound revolution in ideological concepts. Breakthroughs and transformations are the general trend, but Modern Land’s positioning of green technology real estate has never changed. What has changed is only the practical methods and paths. In relation to “green”, our exploration has never stopped.



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2. GREEN OPERATION SAVES RESOURCES AND REDUCES EMISSIONS

2.1 Efficient Use of Resources

Building a resource-efficient and eco-friendly society is incumbent upon companies to do so. Saving energy and improving energy efficiency may reduce the operating costs of companies and promote the research and development of new technologies. Modern Land attaches great importance to natural resources conservation and strictly abides by laws and regulations, such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Water Law of the People's Republic of China (《中華人民共和國水法》) and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), striving to achieve coordinated and sustainable development of people, resources and the environment. The management of the use of the Company's resources is targeted at saving resources and raising the use efficiency of resources.

2.1.1 Energy Management

Headquarters of the Company

In 2022, Modern Land continued to improve its management system in terms of energy consumption and optimise energysaving measures. The headquarters of Modern Land is located in a Modern MOMA (Beijing) residential project. The Company manages and controls the use of various energy sources at the headquarters, regional, and project levels in accordance with the "Energy Management System" and operating standards to ensure energy conservation in a closed-loop manner. Electricity, natural gas and gasoline are the major resources consumed by the headquarters of the Company in its operation.

Energy consumption of headquarters of the company

Index	2022	2021
Total electricity consumption (kWh)	352,450.00	352,450.00
Natural gas consumption (standard cubic meter)	17,616.00	20,447.00
Gasoline consumption (tonnes)	6.10	6.80
Integrated energy consumption (KWh)	616,118.19	655,135.35
Integrated energy consumption intensity (kWh/sq.m.)	66.69	70.91

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To save and use energy efficiently, we have adopted a range of energy-saving measures:

- Vigorously promotes energy saving and consumption reduction in office buildings. It has created a good culture of “Conserving Energy By Everyone In Everything They Do At All Times”. The company calls for practicing economy from all staff by taking the “Four 1s” action (to save every one kilowatt-hour of electricity, one drop of water, one litre of oil, and one piece of paper), making reasonable suggestions linked with the economy and implementing reward and punishment system to realize the goal of conserving resources and improving resource utilization;
- Strictly controls the use of electricity in office buildings. Staff are required to keep redundant workplace lights off in the daylight without affecting the office and turn off the lights in the conference room when it’s not in use. The power switch of the entire office building will be inspected by the property staff after hours to ensure resource saving;
- Elevators: turn off the west elevator after work and preserve the east elevator to saving electricity used on elevators;
- Saving electricity on air conditioner systems: to prevent wasting energy consumption and avoid the increase in energy consumption due to temperature loss as a result of opening windows for ventilation, the office will seal the outer windows and add new ventilation to increase inflow of fresh air.

In the process of realizing the goal of conserving resources and improving resource utilization, we will also carry out the principle of reduction and optimization of resource utilization and adhere to the concept of energy saving and emission reduction, and further advance environmental efforts in cities where its companies operate on the basis of resource conservation and improved resource utilization in the company.

Engineering Construction Projects

Since 2019, we have applied the green concept upheld by Modern Land to build the green experiential sites and every aspect of site management was attended to promote building energy efficiency as a standard and make it the new norm to reduce energy consumption in building construction. In 2022, we continued to guide the implementation of projects and effectively manage the energy usage of projects under construction according to the Standard Atlas for Green Experiential Site of Modern Land (《當代置業 綠色體驗式工地標準圖集》). It rated green experiential sites (silver, gold, and platinum) in accordance with the Operating Standards for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地作業標準》). To encourage corporates engaging in the implementation and constructions to improve energy saving on the site, the Operating Standards for Green Experiential Site of Modern Land introduced some terms for selecting the advanced and excellent participant, encouraging the construction corporates to adopt various measures to improve the standard of environmental protection.

In terms of energy utilization, we fully promote the use of energy saving lights, prioritize use of energy saving and efficient construction equipment and machinery recommended by the country and industry, such as energy saving construction equipment with frequency conversion technology. We put up signs of “Save Electricity” and “Turn Off The Lights When You Leave” in the office area, and set up the voice-activated sensor light in the bathroom to realize the goal of saving electricity.

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In terms of production and temporary office facilities, we took advantage of the natural conditions of the site and reasonably designed the shape, orientation, spacing and window to wall area ratio of temporary facilities for production, living and office, making sure it receives good sunlight, ventilation and lighting. The temporary facilities use energy saving materials, for example, the wall and roof use heat-insulated materials which would reduce the time of usage and energy consumption of air conditioners in the summer and heaters in the winter. Hot water for bathing mainly comes from solar and air-source heat pump water heaters, reducing one-time energy consumption.

2.1.2 Management of Water Consumption

Headquarters of the Company

The water consumption in the Company's headquarters is mainly for catering and toilet water, as well as landscape water system and greening water. During the year, we recycled rainwater and air-conditioning condensates, and cleaned the ground of the park by effectively using the green space of irrigation areas in the water system. In 2022, the Company did not have any problem in obtaining applicable water sources, which is from the municipal unified water supply source.

Water Consumption of the Headquarters of the Company

Indicator	2022	2021
Water Consumption (cubic meter)	2,980	3,485
Water Consumption Intensity (cubic meter/sq.m.)	0.32	0.38

Engineering Construction Projects

In terms of saving water resources, we strictly require the construction unit to save water. In the office area and living area of the construction site, we use water saving systems and equipment for domestic water usage, increasing the equipping ratio of water saving equipment. We established the domestic sewage onsite treatment and rainwater collection system on the construction sites, realizing the cascade recycling use of water resources. As of water usage for onsite machinery, equipment, car washing, road spraying and green watering, we prefer to use domestic sewage for onsite treatment and water from the rainwater collection system, and to not use the municipal tap water as much as possible. The vehicle rinsing wastewater will 100% be recycled for secondary use.

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2.2 Reduction of Pollution Emission

We strictly abide by the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on Water Pollution Prevention and Control (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and other laws and regulations on prevention of environmental pollution. We continue to promote the concept of energy saving and consumption reduction and environmental protection, reducing the production of emissions from the origin. We will always regard promoting the emission management and environmental protection as the long-term target, eventually realizing the concept of recycling economy and sustainable development. During the reporting year, there was no significant environmental pollution or ecological damage event.

2.2.1 Air Emission Management

Headquarters of the Company

Its emissions mainly come from natural gas combustion, combustion of gasoline and diesel in vehicles and canteen cooking fumes. Natural gas combustion is mainly used to heat buildings and produce domestic hot water; and electricity consumption is mainly required for the daily use of equipment for project management, lighting, and providing cooling, heating, and domestic hot water for building owners.

The Air Emission of the Headquarters of the Company

Indicator	2022	2021
Sulfur dioxide emissions (kg)	3.28	3.80
Nitrogen oxide emissions (kg)	35.79	35.98
Smoke and dust emissions (kg)	4.52	4.84

In 2022, the Company took a series of actions to save energy, reduce consumption, and lower greenhouse gas emissions: Perform energy-saving retrofit of gas boilers and increase resource utilization to cut exhaust gas emissions; install exhaust gas export facilities and establish maintenance and repair systems; encourage staff to use green transportation such as bus or subway for commute or business trips.

As for canteen cooking fumes, we took the following measures in particular:

1. Arranged specific staff for air emission management, ensuring that the air is emitted after meeting the standards according to relevant laws and regulations, while protecting the health and safety of employees and conducting supervision of the overall air emission condition by the administrative staff of the company;
2. Installed three sets of electric absorption and attachment air purifiers, achieving the inspection standards of the Beijing Environmental Protection Bureau;
3. Established the maintenance and inspection mechanism, conducting overall cleaning of the range hoods every two months, while keeping records of the waste gas treatment conditions.

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Engineering Construction Projects

Under the guidance of the Operating Standards for Green Experiential Site of Modern Land, the work involving environmental protection in the Company's engineering construction projects are included in the contracts. Before starting the construction of the projects officially, the equipment involved with treatment of waste gas and dust must be installed first, and the projects are only start constructing officially after being approved by the properties and government authority units. For example, full coverage is required for transporting vehicles, and high-pressure spray should be established on surrounding walls on site and principal roads. In the process of ground working, measures such as water spraying and coverage are taken, to achieve that the visually detected duct spraying height is less than 1.5m and dust will not be sprayed outside of the site; coverage measures should be taken to compiling materials susceptible to dust spraying; powder and dust materials should be storage in seal; for materials that may cause dust spraying in the site and constructing waste transportation, dust reduction measures should be taken such as coverage and water sprinkling; while cleaning dust and garbage before pouring concrete, vacuum cleaners should be used as much as possible, and dust-generating equipment as air blowers should be avoided; protection measures such as partial coverage, concealing and water spraying should be taken during the machinery chiseling process; for garbage cleaning of high-rise and multiple-level buildings, sealed temporary special channel or container lifting should be adopted. It is prohibited to burn waste materials and toxic, hazardous and odorous substances at the construction site, and to burn construction waste. We prefer to select transportation vehicles with clean resources, requiring its gas emission to meet the standards.

2.2.2 Waste Discharge Management

Headquarters of the Company

The solid waste generated by the Company's headquarters mainly consists of hazardous waste (such as waste ink cartridges, fluorescent lamps containing mercury or energy-saving lamps, and batteries) and non-hazardous waste (such as non-hazardous decoration waste, waste paper, and kitchen waste). The Company has developed operating standards for waste emissions. Besides kitchen waste that is collected by restaurants for disposal, the Company's remaining waste is collected by the property administrator who will sort waste by recyclable, non-recyclable, and hazardous waste into recycling bins, non-recycling bins, and hazardous waste bins. Property personnel will sort and handle the waste separately every day. The printers used by the Company are rented, while the suppliers provide unified change and maintenance for waste ink cartridges for recycling treatment, and fluorescent lamps or energy-saving lamps will be classified and recycled by the property regularly.

The short-term goal of the Company's emission management is to optimize the method for handling discharge, to optimize the treatment method for recyclable garbage, non-recyclable garbage and hazardous garbage based on garbage sorting, to increase the utilization of recyclable garbage and reduce the harm caused by non-recyclable garbage and hazardous garbage on the environment. The mid-term goal of the Company's emission management is to reduce the generation of emissions, to continuously promote energy conservation, consumption reduction, environmental protection and increase the resource utilization rate in the company to reduce discharge at source. The long-term goal for the Company's emission management is to advance discharge management and environmental protection progress in cities where the entire Group and all companies operate.

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We have adopted a series of measures such as the posting of reminders in the office area and setting of a reusable paper area next to printers to reduce waste, turn waste into resources, and promote harmless disposal. As for the handling of kitchen waste, China has set up a waste segregation area for every employee to proactively sort out kitchen waste. This move helps reduce garbage that needs to be handled specially and lower the amount of garbage by more than 30% on a whole.

In the future, we will further optimise the method for handling discharge and improve garbage disposal capability based on garbage sorting, to increase the utilization of recyclable garbage and reduce the harm caused by non-recyclable garbage and hazardous garbage on the environment. The Company will also continuously promote the idea of energy conservation, consumption reduction, and environmental protection to reduce discharge at source.

Engineering Construction Projects

Modern Land's engineering management centre is responsible for the monthly or irregular special inspection of the construction sites of all projects for waste management based on the Operating Standards for Green Experiential Site of Modern Land (《當代置業綠色體驗式工地作業標準》). During the daily inspection process, the project department shall also strictly supervise the general contractor's management of waste sorting, collection and disposal, and impose penalties on the violation of the general contractor unit and order rectification.

The waste at the construction site of Modern Land's engineering construction projects mainly consists of two types, namely solid waste and liquid waste. Solid waste mainly comes from used formwork, crushed concrete pieces, plastic safety net used for coverage and protection, etc. After fully implementing the Operating Standards for Green Experiential Site of Modern Land, the generation of the solid waste mentioned above has decreased significantly. For example, aluminum templates are widely used in projects, which could reduce the use of wooden templates by over 90%, while the high precision concrete quality can reduce half of the generation of the concrete garbage. Standard perforated metal fenders are promoted to use on large external climbing frames, which are recycled and used multiple times in complete replacement of plastic fine mesh safety net (during the period of a project, due to safety and aesthetic reasons, it is usually required to change the nets more than three times, while the used safety nets are all waste). As for liquid waste generated during the daily maintenance of machinery and equipment, it is required to conduct daily maintenance of the cranes and construction lifts by professional units. Before the maintenance work starts, specialised containers should be prepared for the collection of waste liquid, which should not be dripped on the floor. All collected waste liquid should be handed over to professional companies for environmental protection treatment, and must not be poured directly.

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2.2.3 Wastewater Discharge Management

Headquarters of the Company

We not only attach great importance on the conservation of water resources but also actively encourage the efficient use of water resources. In order to reduce wastewater discharge and improve water use efficiency, we formulated a number of low-energy operation plans, including the treatment, collection and reuse of reclaimed water and rainwater. Focusing on changes in water consumption data, the Company analyses the year-on-year and month-on-month water consumption data on the monthly basis, so as to analyse the causes of changes in water consumption, and formulated a professional management and control plan to refine management and reduce emissions.

The wastewater discharged by the headquarters of the Company consists of wastewater used for cleaning office buildings, wastewater used for disinfecting office buildings on a daily basis, wastewater generated from the operation of the equipment and wastewater used for cleaning food at the canteen. The water used for cleaning toilets is discharged to septic tanks via sewer lines while water used for cleaning the canteen is discharged through pipelines to grease traps that filter out thick greases and other impurities and allow filtered wastewater to flow into municipal sewer lines. The Company's headquarters carried out research on the sewage treatment of the grease trap adopting Membrane bioreactor (MBR). Such technology can effectively degrade the sewage in the grease trap, reduced the odour generated, wastewater purification, reduced the frequency of grease trap removal, reduced operating costs, and reduced wastewater pollution. The wastewater generated in the operating process of the Company's headquarters is co-discharged with the community owners and other sources of wastewater. Therefore, it is not possible to separately calculate the Company's wastewater discharge. The above wastewater discharge have all been treated through the municipal discharge channels after meeting the municipal emission standard, while the Company will continue to advocate the policy of saving water to reduce wastewater discharge at source.

We plan to adopt the circulating, sequencing and cascade method in accordance with the different requirements for water quality of the cooling water system. Steam recycling method will be used for the thermal system. Drainages from other systems, after treatment, are mainly used for greening and cleaning of the park, and miscellaneous sources of domestic water, after treatment, will be kept in reserve for cooling system.

Engineering Construction Projects

All the projects of Modern Land have fully implemented wastewater control measures. The wastewater from the company's construction projects mainly comes from the flushing water for vehicles entering and exiting the venue. Therefore, we have required and enforced all general contractors to implement mechanical flushing equipment and three-stage sedimentation tanks at the gate of the construction site, whereas the customized machinery flushing equipment can improve the flushing performance as well as save a large amount of water than manual flushing. Wastewater after flushing would all flow into the three-stage sedimentation tanks and be used for onsite watering to reduce the dust and greening water, etc., to realize the recycled usage of water resources. The state and use of machinery equipment have been included in the daily onsite management inspections, making sure that the wastewater are under controlled state at all times. In the future, we will consider to conduct overall volume control, further reducing water consumption.

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2.2.4 Management of Noise and Light Pollution

For noise pollution, we strictly abided by the Operating Standards for Green Experience Energy Machine Room of Modern Land (《當代置業綠色體驗式能源機房作業標準》), which requires hiring a qualified agency with experience in noise environment testing to test and evaluate noise while the system is in operation, and issue a test report. While meeting relevant national standards, we must meet the following requirements: (1) the daytime equivalent continuous A sound level is not higher than 45dB within bedrooms; (2) the nighttime equivalent continuous A sound level is not higher than 37dB within bedrooms; and (3) the equivalent continuous A sound level is not higher than 45dB within living rooms.

As for the noise generated at the construction project site, we strictly adhere to the Volume Limit for Noise in Construction Site. For earthwork, noise control should be below 75dB at day and below 55dB at night; for structure and furnishing construction period, noise should be kept below 70dB at day and below 55dB at night. We have set up measuring equipment on construction sites, carrying out real time monitoring and control of the noises and make early warning for the environmental elements timely according to inspection data. Continuous sealed shield is set up surrounding the construction site, while dense mesh and sound insulation nets are concealed on the outer frames of the building to reduce noise interruptions. We set up enclosed sound insulation sheds for strong noise machinery, such as fixed concrete conveying pump rooms, carpentry sheds and large air compressor sheds. We avoid transporting materials and components to the site during peak traffic hours in the city, and if necessary, we should maintain a reasonable speed to reduce noise emissions from large transport vehicles. If materials and components are transported at night, the vehicles should not sound their horns, they should drive at low speed, and avoid residential areas as much as possible to prevent nuisance to the public. Finished products, semi-finished products processing and manufacturing operations involving strong noise (such as prefabricated components manufacturing, etc.) should be placed in factories and workshops as much as possible to reduce the noise generated by construction site processing and manufacturing. For small electric tools that may emit sharp noise, such as impact drills, portable electric saws, etc., strictly control the time of use, control the frequency of use and the number of equipment, and reduce or not to operate during the night break.

For light pollution, the Company comprehensively promotes the use of LED lighting sources at the project site to control the brightness of the lighting while saving energy. We plan to conduct R&D and upgrade on the selection of lighting sources in the future for light pollution controlling.

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2.3 Tackling of Climate Change

Tackling the severe challenges posed by climate change and developing a low-carbon economy have become the consensus of the international community. Modern Land actively takes social responsibility of tackling climate change. It adopts effective measures as a response to challenges brought by climate change and seizes the historical opportunity of developing a low-carbon economy, so as to strategically stand ahead of future competition and achieve sustainable development. We shall explain our efforts and future directions in addressing climate change according to the classification of governance, strategy, risk management, indicators and objectives.

Governance

In terms of governance, we have established an ESG governance structure to cover comprehensive governance of ESG-related work, including governance to address climate change. We refer to the TCFD (climate-related financial disclosures) framework to gradually conduct status review, strategy formulation, risk management, indicator and objective identification and management of the risks and opportunities that Modern Land may face due to climate change.

Strategy

Climate-related risks include transition risks and physical risks. Transition risks can be divided into policy and legal risks, technology risks, market risks, and reputation risks. Physical risks include acute risks (such as extreme weather such as typhoons and floods) and chronic risks (changes in climate patterns such as persistent high temperatures). Our response to climate change does not stop at risk prevention, but also proactively identifies opportunities, including resource efficiency, energy sources, products and services, markets and adaptability.

In terms of development opportunities, the construction industry, as one of the important pillar industries of China's economy, is an essential part of achieving the goals of carbon peak and carbon neutrality. Green buildings can provide people with a comfortable living environment, and the overall realization of carbon neutrality in the construction field is inseparable from the concept of green buildings. Modern Land strives to create a green residential community where people, buildings and the environment exist in harmony and are unified to achieve sustainable development.

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Risk Management

In response to climate change, we focus on identifying and assessing physical risks and transition risks, while seizing development opportunities to promote the sustainable development of Modern Land.

Specific actions taken by Modern Land are as follows:

- Firstly: incorporate green low-carbon development into strategic planning for corporate development. Since our inception, Modern Land has been devoting itself to the development of “Green Technology + Comfort & Energy-saving + Digital Interconnecting Whole-lifecycle Industrialized Communities”. Guided by the development idea of taking green technology as core competitiveness, Modern Land insists on being an implementer and the leader of green technology real estate to achieve the Company’s strategic business objectives;
- Secondly: adopt and develop low-carbon technologies and focus on energy conservation and emission reduction. We implement the green procurement idea from top to bottom. It has set up a research department to invest heavily in green innovation and facilitates the collaboration of various professionals to improve low-carbon production technology. Meanwhile, the Company gives top priority to energy saving and emission reduction among daily work and operation activities and vigorously advocate a green and low carbon lifestyle;
- Thirdly: promote the adjustment of corporate structure and green transformation. In respect of project construction, the Company has steered towards production with low consumption, pollution, and emissions by improving industry capabilities and eliminating backward production facilities through the adjustment and optimisation of industrial mix. In terms of administration, the Company has improved several rules and monitoring mechanism and optimised department structures and clarified department functions.

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Indicators and Objectives

We identify indicators related to the monitoring and control of environmental, social and climate-related risks and conduct annual statistics and disclosure of relevant data, including:

- Energy (gasoline, natural gas, electricity) usage;
- Water consumption
- Greenhouse gas emissions (including Scope 1 and 2)

The sources of greenhouse gas emissions of Modern Land mainly consist of direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2). In particular, direct greenhouse gas emissions come from natural gas combustion and combustion of gasoline and diesel in vehicles; and indirect greenhouse gas emissions come from the use of electricity. As a real estate company, in addition to the direct and indirect greenhouse gas emissions generated by our own operations (Scope 1 and Scope 2), we also pay attention to the impact of other indirect greenhouse gas emissions related to the upstream and downstream value chains and products and services (Scope 3).

Greenhouse Gas Emissions of the Headquarters of the Company

	2022	2021
Total greenhouse gas emissions (tonnes of carbon dioxide equivalent)	261.68	269.99
Direct greenhouse gas emissions (tonnes of carbon dioxide equivalent)	56.91	65.21
Indirect greenhouse gas emissions (tonnes of carbon dioxide equivalent)	204.77	204.77
Greenhouse gas emission intensity (kilograms of carbon dioxide equivalent/sq.m.)	28.32	29.22

In future, Modern Land will strive to develop and promote green and low-carbon products and services, continuously improve energy efficiency and promote the transformation of the enterprise to green and low-carbon development in an ongoing manner, so as to facilitate the establishment of low-carbon lifestyle and consumption patterns. Modern Land is committed to actively responding to and implementing the policies and requirements of the government in addressing climate change, supporting the entire society to tackle climate change and participating in the joint action of the whole community in combating climate change.

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3. PEOPLE-ORIENTED DEVELOPMENT AND PROMOTION

3.1 Simple Corporate Culture

Corporate culture is an essential reflection of the individuality of a company and the soul of corporate survival, competition and development. Corporate culture can stimulate employees' sense of mission, cultivate their sense of belonging, strengthen their sense of responsibility, develop their sense of honour and give them a sense of accomplishment.

Modern Land adheres to the culture that features "simplicity, concentration and transparency" and a "result-oriented, anything's possible and never give up" mentality. Simplicity and concentration are the core and premise of our culture, and the basis for efficiency improvement and performance achievement. Simplicity is reflected in the simplicity of communication, the simplicity of interpersonal relationships, the clarity of processes and operations, and the clarity of the authorization system; concentration is reflected in the consistency of goals, consistency of pace, and grasp of details. A culture of transparency is reflected in its openness, eagerness for win-win situation, efficiency, inclusiveness and environmental health.

Modern Land stipulated 100 Zhiye Guidelines covering various dimensions and aspects, such as operation management, conflicts of interests, asset preservation, code of conduct and professionalism, guaranteeing clear rules, transparent executions, a firm attitude and concise and efficient work.

We adopted an array of initiatives to implement simple and transparent "Zhiye Culture(智業文化)", thus promoting and protecting business development with the means of culture. Such initiatives include requiring all the staff above the manager level to keep their office doors open to allow supervision by the staff; keeping the bills of top executives transparent; openly disclose the tasks of each staff member as well as the completion and evaluation of these tasks; and keeping all the meetings open so that anyone is welcome to listen to and be present at the meetings.

Moreover, the internal audit department assured from another aspect with legal means that our culture was highly transparent by making available to the public an anti-corruption hotline (010-84408717) and an e-mail box (sunnymoma@modernland.hk) for receiving any anonymous or real-name reports. The transparency of a company is also a driving force for enhancing its positive culture, and a cornerstone for the healthy and sound development of a company.

Case: Action of Loving My Homeland, Never Stop Protecting the Earth

The culture of tree-planting and hiking in Modern Land has been continuing for several years. Adhering to the spiritual and cultural signatures of Modern Land, the concept of energy conservation and environmental protection is not manifested by words, but by practical actions. Planting trees and hiking not only allow families to get closer to nature, but also give them a first-hand sense of the hope of cultivating greenery in the land and contributing to the cause of environmental protection.



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3.2 Staff Employment and Development

Employees are one of the most important core competencies of the Company. Adhering to the people-oriented development and management philosophy is the cornerstone for ensuring the Company's sustainable development. Modern Land adheres to the "Five-aspect Talent Strategy", namely attracting talents, training talents, making good use of talents, retaining talents and moving talents.

3.2.1 Staff Employment

Modern Land strictly abides by the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the Law on the Protection of Women's Rights and Interests of the People's Republic of China (《中華人民共和國婦女權益保障法》), the Regulations on Labour Protection for Female Staff and Employees (《女職工勞動保護規定》), the Regulation on Public Holidays for National Annual Festivals and Memorial Days (《全國年節及紀念日放假辦法》), the Regulation on Labour Security Supervision (《勞動保障監察特例》) and other relevant laws and regulations, safeguarding the legal rights of our staff.

We do not set requirements for gender, ethnicity, household registration, etc. in the recruitment process and respects the religious belief and personal stances of each candidate, and evaluates the applicant's capabilities and qualifications against the job requirements in a value-oriented manner without any ethnic, disability or gender discrimination or any other unfairness.

As of 31 December 2022, the Company had a total of 1,450 employees. We enter into a labour contract with each employee. It has neither dispatched labourers nor part-time employees. The total number of employees by gender, age group and geographical region are as follows:

Employees' Basic Information

Employee category	Headcount in 2022	Headcount in 2021
Total number of employee	1,450	1,655
By gender		
Male	973	1,137
Female	477	518
By age group		
Born in and after the 1990s	562	613
Post-80s	785	940
Post-70s	87	92
Born in and before the 1960s	16	10
By geographical region		
Beijing	228	363
Other regions	1,222	1,292

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In 2022, there were 17 new employees. The number of resigned employees by gender, age group and geographical region is shown below:

Employee turnover of the Company

Employee turnover	Turnover in 2022	Turnover in 2021
By gender		
Male	49.1%	103.9%
Female	57.2%	87.8%
By age group		
Born in and after the 1990s	59.6%	139.8%
Post-80s	46.9%	78.2%
Post-70s	47.1%	47.8%
Born in and before the 1960s	43.8%	0.0%
By geographical region		
Beijing	33.8%	44.9%
Other regions	55.2%	114.0%

We handle the off-boarding process of resigned employees according to the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》). Resigned employees shall complete the handover of their work on hand before their resignation, and settle all relevant accounts. If the resigned employee is involved in compensation and disbursement of liquidated damages, we are responsible for the payment according to relevant national laws and regulations. Employees who leave due to disciplinary violations shall bear liability for breach of contract, and the Company has the right to pursue financial compensation from such employees in accordance with the Labor Contract Law of the People's Republic of China and other relevant laws and regulations.

3.2.2 Labour Standards

We strictly follow the Labour Law of the People's Republic of China (《中華人民共和國勞動法》) and Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) during recruitment by confirming the age listed on candidates' ID cards and never recruiting minors under the age of 16. Candidates can have interviews only if they meet the minimum age to work, and the intensity and content of work will be communicated for confirmation during the interview. We implement a working hour system where the normal working hours of employees do not exceed 8 hours a day and five days a week.

During the reporting period, there had been no issues relating to child and forced labour, nor had there been any violation of relevant employment policies, laws and regulations recorded in the Group.

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3.2.3 Staff Benefits and Care

In terms of staff compensation, we established an employee compensation and benefits system based on its strategic business objectives and according to the Operational Standards of Incentive and Accountability Mechanism of Modern Land (《當代置業激勵問責機制模型作業標準》). The compensation structure, which follows the principle of value creation and valuation and benefit sharing, mainly comprises a broad banding system and a special incentive and accountability mechanism:

1. The broad banding system covers salaries, performance bonuses, allowances and benefits, which are paid to each employee according to his/her value creation; and
2. The incentive and account ability mechanism, which is built on the project procedures and operations, focuses on assessment of the implementation of 100 tasks for project milestones, progress and quality, receivables collection, net profit generation, balance of cost budget, completion of critical works of project and other project data, in order to achieve the budget goals, complete the procedures and give incentives to the staff.

We contribute to social insurance plans for its employees in accordance with the national regulations and local laws and regulations, and the percentage and basis of payment are in accordance with the local laws and regulations. We strictly comply with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Regulation on Public Holidays for National Annual Festivals and Memorial Days (《全國年節及紀念日放假辦法》) and other national laws and regulations, and all employees are reasonably entitled to various holidays including paid annual leave, maternity leave (for female employees), marriage leave and personal leave. Moreover, we offer additional paid annual leave to those employees who have worked continuously for more than 5 years. The Company carries out different staff care activities on staff's birthday, employment anniversary and other festivals and assists staffs who have difficulties. Against the special backdrop of public health incident in 2022, we implemented staff leave on demand that allows employees to work online based on actual situations to protect their health, so as to protect their health and well-being.

3.2.4 Employee Training

Modern Land attaches great importance to human capital, talent development and training. Enterprise competition is ultimately a competition for talents. The Company attaches great importance to the improvement of employees' overall quality, skill improvement and recognition of corporate culture, and builds the enterprise into an organization that emphasizes learning. Improving the core competitiveness of an enterprise and ultimately achieving a "win-win" situation between the enterprise and its employees is the most fundamental means for an enterprise to achieve development.

In terms of training, in accordance with the Operational Standard of Training Management in Modern Land, we develop training plans based on actual business needs, standardize training standards and processes, and continue to provide professional and systematic training mechanisms to help employees cope with the rapidly changing industry changes.

In 2022, we focused on the training content of key project points, focusing on the opening, delivery and completion of the project, and organizing team competitions, project sharing, case studies and other training methods. At the same time, we integrated corporate project management and the core content of Zhiye Culture into our training to promote the all-round development of employees.

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Proportion of trained employees and average length of training

	Male	Female	Backbone	Management	Leadership
Proportion of trained employees in 2022 (%)	45.30%	42.80%	40.20%	45.40%	50.00%
Average length of training for staff in 2022 (hours)	15.78	12.80	10.00	13.60	12.78
Proportion of trained employees in 2021 (%)	95.41%	96.95%	98.67%	98.98%	100.00%
Average length of training for staff in 2021 (hours)	47.82	46.92	42.16	36.52	27.68

Case: Modern Northwest Regional Company's golden training month with special training for all employees

In order to continuously improve the professional skills and professionalism of all employees, Modern Northwest Regional Company organized a series of special trainings for all employees from December 2021 to February 2022, committed to creating a "Golden Training Month". In this training, the human resources department invited 3 senior lecturers from the Group to teach the course, starting from the planning and finance profession, planning and design profession, and marketing management profession, and empowering them from various angles. In addition, the training also started from three sessions, namely "solving the situation", "responding to the situation" and "breaking through", and the boutique courses were developed by various professions and projects. 22 elite regional lecturers, with years of experience, facilitated the further enhancement of all employees' professional skills and vocational qualities through the in-depth exploration of four dimensions, namely, analysing the market, strategy enhancement, recapitulation of the experience gained from the conclusion of the outstanding projects, and enhancement of the professional/general skills. The northwest academy adheres to the purpose of talent cultivation and implements the talent concept of Three-Self Qualifications, with continuous refinement of various professions and programmes, and sustained efforts to empower all staff to enhance their abilities so as to match the business needs.



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3.2.5 Dual-Channel Career Development

We publish the Arrangements of Organizational Structure, Position Structure, Staffing and Team Formation (《組織結構、崗位結構、人員編制及團隊建制的決定》) on a quarterly basis. The Company also issues the Arrangements of Personnel Appointment and Human Resources Development and Exchange (《人事任命及人力資源開發與交流的決定》) irregularly.

Employees of each subsidiary of Modern Land can realize cross-development of job function lines, where the cross-development path of job functions shows an “H” shape. After employees in the functional line join the Company, if their level is below the management level, they will develop along the functional line; after employees in the position line join the job, if their level is below the management level, they will develop along the position line; management and leadership career paths are interchangeable.

The employees of each subsidiary stick to a “Y-shape” career development path. Specifically, the employees below the deputy director level are all in the functional line leveraging their professional abilities, which helps create a flat, professional and competitive organization structure. The function setting is classified according to different professions. An employee can be promoted to a professional director for a dual-channel career development.

3.3 Safety and Health of Employee

A safe and comfortable working environment helps to improve the work efficiency of employees and ensure their physical and mental health. Modern Land has been strictly complied with the Production Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》), Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases (《中華人民共和國職業病防治法》) and other laws and regulations. From 2020 to 2022, there were no work-related deaths and no lost working days due to work-related injuries.

We have formulated Operating Standards of Modern Land Governing Administrative Office (《當代置業行政辦公管理作業標準》) and are striving to eliminate potential safety hazards in the working environment or public areas, and have taken a series of measures to ensure the safety of the working environment:

- collaborate with property companies in supervising and checking the safety standard of the Company on a regular basis;
- relevant professionals are scheduled for national statutory and festive holidays duty to make sure there were no safety issues; conduct regular fire safety inspection in the Group’s office area, which mainly includes inspection of automatic fire alarm systems, fire sprinklers, fire hydrants, safety passages, emergency evacuation lights, and strong and weak current control boxes. All projects are found to be in compliance with national requirements for fire safety;
- for the control of staff entry and exit, staff cards must be shown to access the office area or access with QR code. Visitors must be invited in advance and access with QR code;
- 24-hour patrol and inspection by guards and security;
- the interior of the office is fully covered by cameras for real-time monitoring;

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- conducts pest control every month;
- Smoking is strictly prohibited in the office area.

We strengthen its safety management for construction site pursuant to the Operating Standards of Modern Land Governing Project Safety (《當代置業工程安全管理作業標準》). Zero safety accident at construction sites has always been the goal of Modern Land for safety management, and it has thus established a three-level inspection system for the Company, regional companies and project companies. During the on-site management of construction projects, a safety production responsibility system is implemented, responsibilities are assigned to individuals, and are linked to individual performance. We also implement site safety training, pre-operation safety briefings, weekly safety inspections, rainy season safety inspections, pre-holiday safety inspections, resumption of work safety inspections, etc.

We also provide employees with a constant temperature, humidity, oxygen level, and a tranquil office environment so that they can work in a comfortable environment without stress. In case of bad weather, we will send a notice in advance to show our care and provide supplies such as masks to and umbrellas.

In the face of public health incidents, each of the Group's projects adopts closed management on a need basis, builds centralized living areas, implements electronic real-name registration for entry and exit, and equips construction sites and living offices with electronic temperature measuring equipment for temperature checking; to prevent the spread of viruses, daily disinfection measures are adopted for all items. Rubbish is sorted and kept centrally and sent to professional units for external transport to ensure the health of staff.

The safety and health of our staff is always our top priority. We implemented a system of several aspects, namely staff health management, protection of the office area, canteen, and staff dormitories, adjustment of working modes and visitor management:

- Staff health management: through daily employee health monitoring, employees have their temperatures taken when they arrive at work, and protective materials are distributed to keep track of the health status of each employee in real time;
- Protection of the office area: through disinfection, ventilation and protection tips for the office area, daily planned disinfection and ventilation of the office area are conducted on a regular basis, with priority on key areas;
- Protection of canteen and staff dormitories: carry out concentrated disinfection of canteen premises, with staff dining in batches, maintaining distance when queuing for meals, and disinfecting the dining area before eating their meals;
- Adjustment of working modes: depending on the outbreak situation in the staff's area, staff shall be present on demand and an online office approach shall be adopted to protect staff's health;
- Visitor management: health code identification and temperature checking are adopted for outsiders and external visitors to prevent risks.

During the reporting period, the Group recorded no violations related to the provision of safe working environment and protection of employees from occupational diseases.

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4. PRODUCT RESPONSIBILITY AND CUSTOMER MANAGEMENT

As the real estate industry has entered into a new stage of high-quality development in recent years, improvement in service quality and construction of software facilities on the basis of product quality assurance have been increasingly important to corporate strategic planning. Modern Land is in strict compliance with the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), the Law of the People's Republic of China on Protection of Consumers' Interests (《中華人民共和國消費者權益保護法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》), the Provisions on the Release of Real Estate Advertisements (《房地產廣告發佈規定》) and other laws and regulations, and has been adhering to the development concept of "Technological Architecture, Green Homeland Community and Beautifying City" to provide the most attentive services.

During the reporting period, the Group has no record of violations of product liability, advertising, labelling and privacy.

4.1 Management of Product Quality

We believe that assurance of product quality and service quality is the lifeblood for its sustainable development. Modern Land regards "Create Modern Land Quality, Build Ingenuity Project" as the product quality management goal, and is committed to providing customers with safe and comfortable products and service experience. The Company's construction quality is in strict compliance with the Operating Standards of Modern Land for Project Assessment (《當代置業工程考核評估作業標準》), the Operating Standards of Modern Land for Material Inspection (《當代置業工程材料檢驗作業標準》), the Operating Standards of Modern Land Governing Materials and Components (《當代置業材料部品管理作業標準》), the Operating Standards of Modern Land for Measurement Management (《當代置業實測實量管理作業標準》), the Operating Standards of Modern Land for Management of Three Model Rooms (《當代置業三個樣板間管理作業標準》) and the Operating Standards of Modern Land for Project Delivery Assessment (《當代置業工程交付評估作業標準》), etc. For quality management of the production process, the Company has formulated a number of quality control standards, such as Operational Standards of Bottom Line Management for Engineering Management Profession in Modern Land (《當代置業工程管理專業底線管理作業標準》), Operational Standards for Inspections at Construction Suspension Points (《當代置業工程停止點檢查作業標準》), etc. We have improved and revised several technical standards, such as Standardized Atlas for Common Practice of Leakage Prevention in Modern Land (《當代置業防滲漏標準化通用做法圖集》), Standardized Processing Practice of Modern Land (《當代置業標準化工藝做法》), etc., to ensure that the quality and process of works is under control.

The Company implemented specific control measures for project quality by:

1. formulating a three-level quality management and control system for the group, regional and project with hierarchical management;
2. formulating a detailed material sample delivery, recognition, sealing management system to recognize and seal the bidding samples of the construction unit before awarding the contract and to ensure the materials and equipment used on site are identical to those at the time of bidding;
3. performing non-scheduled third-party surprise checks on materials to control the materials used on the project site and to stop using unqualified materials;

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4. adopting low strain method to test every pile in all pile foundation projects to ensure the integrity of the pile body;
5. assessing the comprehensive sample first system, the project construction process showroom/district and the standard flats show room by the Group;
6. conducting the third-party assessment and evaluation four times a year to fully control the construction quality of the project construction process;
7. conducting third-party delivery assessment to systematically test the quality of on-site engineering before delivery to the owner;
8. the Company conducts overall assessments on the project safety quality every year.

In the future, the Company will further enhance the quality of concrete engineering, masonry engineering and plastering engineering.

During the reporting period, the Group had no violation of the product and service responsibility and left significant impact. No product of the Company sold was subject to recalls for safety and health reasons.

4.2 Management of Customer Services

With the goal of "Providing Green Comfort Services For The Whole Cycle Product Value Chain" in terms of customer service management, we followed the "Customer Complaint Risk Prevention and Control Handbook" (《客戶投訴風險預控工作手冊》), which clarifies the focus points, standards and key tasks of customer complaint risk prevention and control in the four stages of real estate development, i.e. feasibility study, pre-stage, development and usage, thus implementing customer complaint risk prevention and control throughout the entire life cycle of real estate development. The Company attaches great importance to customer satisfaction surveys and carries out rectification and improvement based on survey results.

Management of Complaints

We have established a customer complaint mechanism to listen carefully to, as well as actively solve and respond to the complaints and requests from customers. The Company has carried out the work through 400 service hotlines, mailboxes, letters and on-site visits. There is a total of 15 dedicated staff members at our 400 call centres. They are responsible for answering customer complaint hotlines as well as to immediately record the complaints and allocate the complaint cases. After the receipt of relevant complaints, dedicated personnel will be sent to handle such customer complaints for relevant projects. There is a customer service department in each of the regional companies to receive the complaints made by visiting customers and handle the issues of the project being complained.

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When handling complaints, it is required by us that such complaints shall be dealt with and responded to within 1 hour as well as solutions for which shall be developed with 48 hours. As part of the process, communication shall be made with relevant customers every 48 hours for understanding the progression. Besides, confirmation of the results shall be made with customers within 30 minutes after completing the process. 400 call centres will conduct customer satisfaction follow-up within 1 hour. Those first-level complaints will at the end be reported to the customer service centres of the Group, the President and the office of the President, those second-level complaints will at the end be reported to the customer service centres of the Group and regional responsible personnel, and the third-level complaints will be reported to regional responsible personnel of customer services. In 2022, the Company received and dealt with a total of 797 complaints cases, and the complaint handling rate was 100%.

In 2022, we also specially revised the project delivery operation standards to standardize project delivery risk pre-assessment, pre-delivery risk investigation and delivery process, and reduce the risk of customer complaints arising from project delivery.

Customer Satisfaction Surveys

We conduct customer satisfaction surveys by three methods, namely special project surveys, regular surveys and key surveys.

- Special project surveys refer to 100% telephone surveys conducted on customers who requested repair services during the warranty period.
- Regular surveys refer to satisfaction surveys conducted annually via telephone interviews and door-to-door visits with the potential property owners and the owners in the run-in period and the stable period.
- Key surveys refer to the interviews conducted via such three ways, namely telephone, questionnaire and door-to-door visits, the content of which focus on the areas including the overall satisfaction, recommendation intention, repurchase intention, marketing service, planning and design, engineering quality and customer service.

After the completion of the research report on customer satisfaction, the Company will gather different centres, sectors, regional companies and project related parties to conduct discussion and analysis on each of its projects and carry out rectification and improvement measures following the project solutions designed to increase customer satisfaction. The Company will revise "Customer Complaint Risk Prevention and Control Handbook (《客戶投訴風險預控工作手冊》)" and prevention and control standards for customer complaints before project launch according to the feedback of the satisfaction surveys, so as to standardise service standards and form a positive circular management mechanism.

During the Reporting Period, we organized site opening activities before project delivery for customers to know the progress and quality of the houses they had bought and to improve their satisfaction. This activity covered more than 80% of the customers and received positive feedback from them. During the Reporting Period, we plan to provide house pre-inspection services for prospective owners to improve their experience with the quality of their houses. We will identify issues in houses from the perspective of customers and correct them accordingly and proactively solve customers' problems, so as to increase customers' stickness to our services.

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Case: Xi'an Modern MOMA construction site open experience day activity— experience the splendour of the environment and Heng beauty

In the morning of 29 April 2022, a site opening activity with the theme of “experience the splendour of the environment and Heng Beauty” was held. This is an advance screening of “Home”, and it is also another fulfillment of Xi'an Modern MOMA's efforts to create a happy life for many owners. The owner representatives who were invited visited the construction site in person to experience the construction of the overall project up close. In addition, although due to safety considerations, some high-risk areas cannot be visited on-site, video surveillance connections are used in the model rooms of the actual building to visually display the construction site in the form of projection in real time to dispel the owners' concerns about project progress. From outer quality to inner core, from products to services, MOMA Modern has always spared no effort to write the perfect answer to the question of building a home with sincerity.



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4.3 Customer Privacy and Advertising Compliance Management

As customer information is confidential, Modern Land continues to improve management measures for customer information protection. All of Modern Land's employees are required to strictly abide by the "Zhiye Guidelines" and "Eight Career Discipline for Marketing Professionals (行銷專業職業八條戒律)" to ensure customer information privacy and security. Meanwhile, Modern Land implements comprehensive process control during pre-sales, for-sales and after-sales stages. Customer information entry and change of sales status are transferred online through the Group's professional information system to avoid manual work as far as possible and to keep customer information confidential and secured during the entire process:

- Pre-sales: The Company adopts the Mingyuan cloud customer information system for customer information entry, so that relevant personnel from all levels can only access customer information within their corresponding authorized scope, and have no right to download and re-export any customer information and their authorization will be immediately revoked and their access channels will be blocked once they leave office. There are terms on confidentiality contained in all of the cooperation agreements entered into with its cooperation agencies, stating that disclosure of customer information is strictly forbidden.
- For-sales: Customer information is stored in the MBS customer management system of Modern Land and maintained by the dedicated information operation centre. To ensure that customer information is kept safe, even the senior management of the Company has only limited authorization for accessing customer information.
- After-sales: Customer information is directly transferred from MBS system to the customer database of the property APH system and can only be used to provide customer service inquiry according to authorization.

In terms of the management of advertising compliance, we have developed a detailed system for internal operating standards governing process review and content control, which comprises the Operating Standards of Modern Land Governing CIS Management (《當代置業CIS管理作業標準》), Modern Land's Guidelines for Project VIS Standardization (《當代置業項目VIS標準化指引》), the Operating Standards of Modern Land Governing the Visual Effect of Commercial Advertising (《當代置業商業廣告視覺作業標準》), the Operating Standards of Modern Land Governing Brand Advertising Guidelines (《當代置業品牌廣告指引作業標準》), the Operating Standards of Modern Land Governing Corporate Brand Building for New Cities (《當代置業新進城市企業品牌塑造作業標準》) and Sales and Service Commitment Red Line Management Standards (《銷售及服務承諾紅線管理標準》). All materials, promotion pictures and advertisements of projects must be reviewed by the Company's Quality Policy Department before releasing. The weekly and monthly white list and black list mechanism is in place to ensure the quality and compliance of advertising. In terms of marketing management, the Company performs inspection in the form of project self-inspection, regional review, and Group spot checks. The inspection frequency is monthly for regional companies and semi-annually for the Group. The Company has also introduced and revised relevant operating standards for supplier management.

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4.4 Sustainable Supply Chain

Management of Suppliers

Since the real estate development value chain has been effectively integrated with the supply chain resources, we carry out effective management of the entire process of supply chain through value analysis, expansion, assessment, process tracking and continuous improvement to maximise the value of supply chain management.

In relation to supplier management, we formulated the Operating Standards of Modern Land Governing Inspection and Qualification Review of Suppliers (《當代置業供應商考察入庫作業標準》), the Operating Standards of Modern Land Governing Evaluation and Rating of Suppliers (《當代置業供應商評估分級作業標準》), the Operating Standards of Modern Land Governing Specialized Procurement (《當代置業專項採購作業標準》), the Operating Standards of Modern Land Governing Strategic Procurement (《當代置業戰略採購作業標準》) and other systems, normalizing supplier management standards and processes.

Selection of suppliers

Our major procurement types are divided into strategic procurement and specialized procurement, and specialized procurement includes tender invitation, competitive negotiation, and direct commissioning; The suppliers of Company include engineering and construction suppliers and material and equipment supplies. Pursuant to Modern Land's Description of the Operating Standards for Energy-saving Strategic Procurement (《當代置業節能戰略採購作業標準說明》) and Modern Land's Description of the Operating Standards for Energy-saving Procurement for Special Projects (《當代節能專項採購作業標準說明》), all procurement by invitation of tenders, except those as designated by the government, is carried out in public on the online tender platform. All suppliers can participate in tendering upon registration on the online tender platform and obtaining approval.

The Company's main procedures for selection of suppliers are as follows:

1. The Group and all regional companies compile a supplier resource plan for the next year each December;
2. The supplier resource plan for last year is subdivided into quarterly supplier resource survey targets and plans;
3. The Company arranges for suppliers to fill in information, performs preliminary review;
4. All regional companies make and implement inspection plans on suppliers who have passed preliminary review on their information to examine whether the suppliers abide by operating standards to allocate professionals and the number of professionals allocated. During the inspection process, special attention is paid to the environmental management system certification, occupational health and safety certification, quality management system certification, and other corresponding certificates and production safety permits, as an important condition for shortlisting suppliers;
5. The Company completes qualification review on suppliers who have passed inspection upon approval before selection of tenderer. Qualification review shall be in strict accordance with the power of attorney.

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In the process of supplier review and selection, the Company will conduct a detailed background investigation of suppliers through the national enterprise credit inquiry system, supplier information forms, suppliers to provide stamped versions of information documents, peer industry supplier surveys, black and white lists issued by industry associations and other channels. In addition, taking into account the environmental and social responsibility factors of the suppliers, we examine the suppliers' financial and other information, we will require them to provide certificates of environmental management system certification, occupational health and safety certification, quality management system certification and other corresponding quality certificates and safety production permits, financial statements for the past three years, and at least three completed and ongoing construction projects in the vicinity of the project for the past two years.

The Company has set up the MBS supplier management system. The information of all suppliers under inspection will be input in the system and marked with "qualified" or "unqualified". Only those marked with "qualified" may be taken into consideration for final selection. According to the MBS approval process, when the supplier procurement platform inventory, the manager, counterpart, responsible person and other parties need to examine the supplier's environmental management system certification, occupational health and safety certification, quality management system certification and other corresponding certificates and production safety permits, financial statements for the past three years, at least three completed and under-construction projects around the project for the past two years, including examination of whether the report uploads the certificate pictures taken on site.

Periodic evaluation and rating of suppliers

The Company has compiled the "Modern Land Five 3 Professional Supplier Assessment and Grading Practice Standards" and conducts (semi-annual or annual) process assessments or post-assessments on all suppliers. Process assessments refer to the semi-annual or annual assessments on suppliers, who have entered into contracts, conducted in each May or November. In the process of assessments, there are different evaluation criteria and weighting set for different kinds of suppliers covering aspects such as quality, progression, construction in a safe and civilized manner and services. Suppliers who are considered unqualified are required to make correction and improvement. If such correction and improvement are not satisfied, the suppliers will be downgraded to be unqualified during the evaluation and rating conducted each year. Post-assessments will be conducted on suppliers who have performed the contract, either within a month after delivery, after project acceptance or within four months after collective delivery by "Five 3s" working departments of regional companies with involvement of engineering management departments, plan designing departments and property companies.

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The Company conducts a star-rating on suppliers, containing five grades, namely three-star, four-star, five-star, qualified and unqualified. Calculation rules are set by the procurement division of the “Five 3s” working centre of the Company based on our strategic development plan and from the prospective of process assessment and engineering assessment for scoring the suppliers, and will be revised in each October. Star-rating results will be released upon approval. Partnership plan, reward and punishment policy, and adjustment to grades of suppliers will be made for suppliers of different grades. For general contractors, the Company also reviews their green experiential sites and requires them to meet its green experiential site requirements.

As of the end of the Reporting Period, the Company had 4,674 engineering-related suppliers and 803 material-related suppliers. The specific distribution details are shown in the table below.

Distribution of the Company’s suppliers² (number)

	Engineering related suppliers in 2022	Material related suppliers in 2022	Engineering related suppliers in 2021	Material related suppliers in 2021
Central China	768	231	447	106
East China	883	304	695	210
South China	479	270	288	149
North China	631	147	607	142
Shaanxi	502	137	482	135
Shaanxi and Chongqing regions	555	141	553	132
Anhui	554	138	491	133
Northwest China	418	149	397	144
Other regions	832	391	742	377

² Due to the repetition in the selection of suppliers in different regions, the sum of all types of suppliers is not equal to the number of suppliers in the corresponding category.

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Green Procurement

To put our concept of green procurement into practice, enhance our green image and win the long-term trust of our customers, Modern Land has actively established a strategic alliance with the upstream and downstream companies to carry out green corporate development altogether effectively.

In 2022, Modern Land continued to expand the scale and application of joint purchases by cooperating with Vanke's AUPUP platform and CURA's platform for more than ten categories. The Company performed green procurement all online and chose green suppliers who have a certain market share and are industry leaders as bid winners to accelerate the process, increase efficiency and achieve green energy saving.

The Company's standardization task force continued to strengthen the building of the standardization system and the implementation of standardized projects during the reporting year. In terms of system building, the standardization task force continued to improve the standardization level of the entire Group by releasing standardized type selection, improving technical requirements, releasing standard atlases, and updating standard configuration forms. In respect of project implementation, the standardization task force evaluated standardized benchmark projects and inspected standardized projects on a half-year basis. By setting benchmarks and rewarding the good and penalising the bad, the task force aimed to promote the strict implementation of standardization at the project level and push for continuous optimisation and innovation.

We chose more eco-friendly materials during the purchase of materials. It strategically purchased landscaping stone look tiles. By purchasing imitation granite tiles instead of natural granite tiles under the same conditions, the consumption of natural resources is reduced and the impact on the environment is reduced. We are promoting the research and development of fabricated 7-day model rooms for factory-based, prefabricated, and standardized production, so as to further reduce the environmental, noise and construction waste pollution caused by decoration projects. Meanwhile, we have also started the research and development of polyurethane profiles and net zero energy-using products.

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5. COMPLIANT OPERATION WITH HONESTY AND INTEGRITY

From the perspective of compliance management and integrity, Modern Land strictly complies with the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Anti-unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》) and other relevant laws and regulations. The Company has continuously improved its internal audit and supervision mechanism, enhanced its internal anti-corruption efforts, and formulated the Reward and Punishment Management Standards of Modern Land and so forth, in a bid to prevent corruption, bribery, extortion, fraud, money laundering and other incidents, and strictly eliminate corruption, bribery and other misconducts among employees. All should carefully handle various internal and external banquets and social activities when contacting business-related units, and refuse to participate in social activities beyond normal business contacts. Moreover, we have set up a staff care fund. All staff members are required to have a duty and an obligation to include the cash gifts and gifts given by suppliers and partners into the staff care fund. The fund is managed and distributed by the Company on a unified basis as an essential means to prevent employees from soliciting or accepting bribes, and to safeguard compliance with national laws and the Company's rules.

We make public relevant reporting channels. Whistleblowers can provide anti-corruption leads through the anti-fraud reporting hotline 010-84408717, the email address sunnymoma@modernland.hk, etc. The internal audit department will handle the relevant reports and complaints efficiently and reply to the whistleblower within 24 hours. We will keep the whistleblower's information strictly confidential to ensure that the whistleblower's information will not be leaked.

In order to improve the integrity awareness of all the staff and maintain the corruption-free management ecology of the company, we organize compliance trainings and professional bottom line training regularly. Modern Land has joined the "Corporate Anti-corruption League", which adheres to the concept of "Integrity, Strong Internal Control, and Anticorruption", achieving shared governance through innovation and cooperation. 943 corporates inside the league share the integrity promotions, trainings, systems, and regulation, empowering each other and improving the anti-corruption systems together.

Our staff members are required to keep the professional bottom line and execute the Zhiye Guidelines of Modern Land to abide by the "Five Nots":

1. not to practise inequity through power, not to carry out corruption, not to solicit bribes, not to accept bribes and not to deceive the Company by trickery;
2. not to attend dinner or after-work drink parties of suppliers;
3. not to participate in pornographic, gambling, drug abuse and other recreational activities;
4. not to accept gifts, presents, entertainment, rebates and remuneration; and
5. not to accept, imply nor designate a partner to pay bills or reimburse any fees for themselves or their own relatives.

We strictly handle non-compliance of staff according to the principle that "Any Non-compliance Will Be Treated Seriously As Long As Being Discovered" and such noncompliance of the relevant staff member in Modern Land will be announced on the platform of the Chinese Enterprise Anti- Fraud Alliance for sharing the information about dishonest personnel.

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To prevent bribery during procurement, our procurement strictly follows the principles set out below:

1. **Honest and integrity:** All employees involved in procurement shall strictly abide by the Zhiye Guidelines of Modern Land and are obliged to advocate the same to suppliers. Nobody shall alter or endeavour to affect the results of procurement decisions by any means;
2. **Fairness and impartiality:** All suppliers shall be treated equally for the management of suppliers and the management of procurement, to erect and maintain a sound corporate image and creditworthiness;
3. **Collective decision making:** The procurement shall be conducted under the procedures with adequate transparency, and there shall be active coordination, comprehensive communication and information sharing among all departments and all the procurement decisions made shall be collective decisions so that no black-box operation can be involved;
4. **Adequate competition and merit-based selection:** A sufficient number of suppliers with same or similar qualifications shall be selected for tendering to ensure the competitiveness of procurement;
5. **Whole process management:** Procurement management shall cover market research, selection of suppliers, inspection on suppliers, qualification review and rating, procurement process management, cooperation process management and cooperation assessment;
6. **Consistency:** The standards of procurement decisions shall be determined when preparing the procurement plans before making any procurement and keep consistent throughout the entire procurement and decision-making process.

There was no litigation arising from corruption or occurrence of relevant violation incidents in the Group during the reporting period.

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6. CARING FOR THE COMMUNITY AND PAYING BACK SOCIETY

Modern Land actively participates in and organizes community activities. Through communication with the community, the Company demonstrates its responsibility commitment and fulfils corporate social responsibility based on community needs.

6.1 Having a Harmonious Relationship with the Community

In order to better satisfy people's pursuit of a better life, Modern Land has always been devoting itself to a homeland of "Green Technology + Comfort + Energy-saving + Digital Interconnecting Whole-life Cycle Communities", and constantly creating a sustainable social environment of "MOMA Homeland 4+1" with green residential area, technology community, the healthy community + , the community for all ages + the community for living abroad.

Green Residential Area

The green residential area of Modern Land not only refers to a single house or a specific construction technology, but also the symbiosis relationship between the constructions and the city, the city and the community as well as the community and the residents. A green lifestyle has been built through the development of the ecology of community, energy resources, green transportation and sustainable constructions. Therefore, the green residential area of Modern Land not only provides customers with good houses for preserving and increasing value, but also reflects the social responsibility of Modern Land that to pay attention to the environment and reduce energy consumption, which is also the essence of green.

In order to create a green residential area, Modern Land has been working hard on green energy-saving technologies by developing different green energy-saving strategies specifically suitable for different regions and customer groups. Meanwhile, Modern Land has further applied the concept of green to the planning of residential area as well as the refinement and humanized design of community environment, with an aim to develop a very comfortable and sustainable community where symbiosis relationship can be maintained between human and the natural environment.

Being ahead of the industry, Modern Land guided and participated in the formulation of industry standards, and jointly launched the "Project of Creating a Green Residential Area Together in China (中國人居環境綠色住區共建項目)" with the China Real Estate Association (中國房地產協會) (the "China Real Estate Association"). Currently, the projects of Modern Land are wide spreading throughout the first, second and third tier cities, covering the customer groups with inelastic demand in an improved and ultimate residential environment. In addition to being a standardized entity with "Green Residential Area", Modern Land goes green in developing different products in cities of different energy levels, thereby building an excellent image for the overall green environment of the city meanwhile making it to become the "Standard Of Green Residential Product". Modern Land has also won a number of national and international top awards, such as the first China's Three-star Health Certification — Operation of Residential Projects, the US LEED-ND Certification and Three-star Green Building Certification — Operation of Residential Projects.

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Community with Science and Technology

Modern Land has set up a special working group to provide MOMA community with the most comprehensive smart solutions in sectors such as technology energy, technology buildings and technology home. The underground machine room operates properly throughout the year without suspension and can control the temperature, humidity and fresh air volume to a comfortable level in advance according to weather changes. After long-term research and development, Modern Land has launched a number of products such as MOMA AI Community and completed the installation of such products on projects such as Wan Guo Cheng MOMA (Tongzhou District, Beijing), which have gained wide attention and recognition from customers. In future, the technology community will undergo a thorough upgrade to create a living lifestyle with infinite possible.

Healthy Community

Modern Land's MOMA community is significantly attached to health in every aspect and follows the healthy construction standards and WELL construction standards, thereby creating a thoroughly healthy homeland. It also creates a comprehensive green and healthy life style by applying the three-step healthy method and the seven major healthy systems that satisfy both the physical and mental needs of human body through the ten aspects, namely air, water, nutrition, light, health, comfort, spirit, fitness, service and humanities.

The first step for Modern Land to be healthy is to focus on several important indicators that are the most closely related to health and comfort for individual building design and propose its own health standards, including lighting, ventilation, temperature, humidity, noise, water quality and spatial scale, and implement real-time monitoring and self-control via mobile phone user platforms.

The second step for Modern Land to be healthy is to help residents develop daily habits in areas including fitness, environmental protection, garbage classification and pet management by humanizing the residential design of the community, so as to create a healthy and harmonious community environment for both Modern Land and the residents in its communities.

The third step for Modern Land to be healthy is to provide convenient and fast medical treatment and immediate management of daily health through community medical services, which, in particular, is to integrate excellent national health care and medical resources and establish long-term cooperation, so as to provide customers with convenient services such as the green channels for fast appointment and registration, family doctors, remote medical care or door-to-door medical services.

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Community for all ages

Modern Land provides two whole life cycle services, namely the whole life cycle of house and living, creating a dynamic community that suitable for the growth of family members of all ages, and realizing the homeland for the whole life cycle. In the design and operation of MOMA, it will cater the needs of each age group and integrate the diversified education area, the convenient creative area and the comfortable living area with the living area for the elderly, so as to develop a community that are suitable for living for the whole life, and satisfy the increasing material and mental needs arising at different ages of our life.

Community with humanities and art

The constructions of MOMA are full of the beauty of the space form attributable to the application of green technology, which gathers various humanities and art elements to form an “Observable Art With Invisible Technology” in the building. In addition to the best consideration of comfort, MOMA also shows its in-depth annotation towards the architectural form by applying art elements in the aspects of design, technology and ancillary facilities. There will be no doubt that perfect physical and mental experience will be created when living in the environment where the architecture and humanities are integrated through art.

Case: A fishing competition — the first “CHARM STATE Cup” fishing tournament

On 23 September 2022, the first “CHARM STATE Cup” fishing tournament, organized by Modern • CHARM STATE MOMA in collaboration with local fishing studios, kicked off with a bang. Dozens of fishing enthusiasts participated in the tournament, setting off a fierce fishing competition. The competition was filled with enthusiasm and each participant displayed great fishing skills. After the tournament, the leaders of Modern • CHARM STATE MOMA presented prizes and bonuses to the winners of the tournament and the group photo was taken. This tournament provides a platform for the fishing enthusiasts of Modern • CHARM STATE MOMA to communicate and interact with each other, experience, exchange and explore the art of fishing, and turn many people from neighbours into good friends with common hobbies, thus enriching the life of the owners.



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Case: Stars Scouting with Experts — the first “CHARM STATE Cup” children painting competition and awarding event

On 6 August 2022, the first “CHARM STATE Cup” children painting competition and awarding event was grandly held in Modern • CHARM STATE MOMA experience centre. The awards, including but not limited to “Champion, First Runner-up, Second Runner-up, Best of the Best in each category, Internet Popularity Award”, were selected through the judging by the professional team and online voting. These awards were given to the “little painters” by the two award-presenting guests, namely the Deputy Secretary of Hanzhong Shannan Painting School Research Association and the Secretary of Mian County Artists Association and the Chairman of Mian County Writers Association, so as to encourage these “little painters” to continue to work hard on their journey to be an artist. This event not only inspired the children’s passion for painting, but also received professional guidance and encouragement from famous artists, so that the children can maintain their passion and achieve their dreams in their future pursuit of art.



6.2 Social Welfare Activities

Public welfare is not only about actions, but also a way of awakening the love in everyone’s heart and passing it on. It has been woven into the fabric of Modern Land since its founding. During the 20 years of its green technology-based development, Modern Land has been continuously fulfilling its social responsibilities with public welfare as its core mission, lighting up people’s heart in different ways in different places every year.

“Modern Land’s Action of Loving My Hometown” are various internal cultural activities and cultural exchange activities with customers or partners initiated and organized by Modern Land, aiming to show care to vulnerable groups in society and help needy families and children through donation, economic aids for poor students, visits, free classes, birthday parties and other public welfare activities from more MOMA members and other caring people while better spreading the concept of public welfare and calling on more people to engage in public welfare undertakings. The Company has formulated the “Modern Land’s Action of Loving My Hometown — Operating Standards of Public Welfare Activities” (《當代置業愛我家園行動-公益活動作業標準》), which regulates public welfare activities from eight aspects: activity principles, scope of activities, responsibilities of various departments, standard guidelines, standard atlas, standard support files and standard supervision. We take the president as the main body of the activity control and the financial centre as the audit and accounting main body, and sets up the working group that is responsible for organizing the launching ceremony of public welfare activities and the working group that is responsible for the implementation of public welfare activities as the management mechanism of the executive body.

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APPENDIX

Index of The Environmental, Social and Governance Reporting Guide Issued by the Stock Exchange

Environmental, Social and Governance Reporting Guide		Content in the Report
Subject Areas A. Environmental		
Aspect A1: Emissions		
A1	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.2 Reduction in Pollution Emissions
A1.1	The types of emissions and respective emissions data.	2.2 Reduction in Pollution 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).	2.3 Tackling of Climate Change
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity e.g. per unit of production volume, per facility).	2.2 Reduction in Pollution Emissions Waste management is not a material issue of the Company, and the waste generated at the headquarters of the Company is in small quantity which is all handled by the property management, while waste generated from the constructing projects are in charge by the contractors, thus relevant data is not collected.
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
A1.5	Description of emission target(s) set and steps taken to achieve them.	2.2 Reduction in Pollution Emissions
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.	2.2 Reduction in Pollution Emissions
Aspect A2: Use of Resources		
A2	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	2.1 Efficient 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).	2.1 Efficient Use Of Resources
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.1 Efficient Use Of Resources
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.1 Efficient Use Of Resources
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.1 Efficient Use Of Resources
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company is a real estate company, not involved in the utilization of packaging material.

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Environmental, Social and Governance Reporting Guide		Content in the Report
Aspect A3: The Environment and Natural Resources		
A3	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	1 Green Technology and Innovative Development 2 Green Operation Saves Resources and Reduces Emissions
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1 Green Technology and Innovative Development 2 Green Operation Saves Resources and Reduces Emissions
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.3 Tackling of 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.	2.3 Tackling of Climate Change
Key Aspect B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.2 Staff Employment and Development
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.2 Staff Employment and Development
B1.2	Employee turnover rate by gender, age group and geographical region.	3.2 Staff Employment and Development
Aspect B2: Health and Safety		
B2	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.3 Safety and Health of Employee
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3 Safety and Health of Employee
B2.2	Lost days due to work injury.	3.3 Safety and Health of Employee
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3 Safety and Health of Employee

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Environmental, Social and Governance Reporting Guide		Content in the Report
Aspect B3: Development and Training		
B3	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.2 Staff Employment and Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Staff Employment and Development
B3.2	The average training hours completed per employee by gender and employee category.	3.2 Staff Employment and Development
Aspect B4: Labour Standards		
B4	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.2 Staff Employment and Development
B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.2 Staff Employment and Development
B4.2	Description of steps taken to eliminate such practices when discovered.	3.2 Staff Employment and Development
Operating Practices		
Aspect B5: Supply Chain Management		
B5	General Disclosure Policies on managing environmental and social risks of the supply chain.	4.4 Sustainable Supply Chain
B5.1	Number of suppliers by geographical region.	4.4 Sustainable Supply Chain
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.	4.4 Sustainable Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.4 Sustainable Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.4 Sustainable Supply Chain

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Environmental, Social and Governance Reporting Guide		Content in the Report
Aspect B6: Product Responsibility		
B6	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4 Product Responsibility and Customer Management
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4.1 Management of Product Quality
B6.2	Number of products and service related complaints received and how they are dealt with.	4.2 Management of Customer Services
B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.4 Protection of Intellectual Property Rights
B6.4	Description of quality assurance process and recall procedures.	4.1 Management of Product Quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.3 Customer Privacy and Advertising Compliance Management
Aspect B7: Anti-corruption		
B7	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5 Compliant Operation with Honesty And Integrity
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	5 Compliant Operation with Honesty And Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5 Compliant Operation with Honesty And Integrity
B7.3	Description of anti-corruption training provided to directors and staff.	5 Compliant Operation with Honesty And Integrity
Community		
Aspect B8: Community Investment		
B8	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6 Caring for the Community and Paying Back Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Caring for the Community and Paying Back Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2 Social Welfare Activities

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Readers' Feedback

Dear readers,

Thank you for reading this report. We would particularly like to receive your comments and suggestions for driving us to continuously improve our report compiling work. Please help complete relevant questions set out in this feedback form and return the completed form by telephone to (852) 3902 1000 or email to ir.list@modernland.hk.

1. Your general evaluation on the Company's environmental, social and governance report is

Good Quite Good Average

2. Do you think that this report can reflect the Company's significant influences on the environment, society and governance

Good Quite Good Average

3. How do you think about the accuracy and completeness of the information and indicators disclosed in this report

Good Quite Good Average

4. How do you think the performance of the Company in terms of serving its customers and protecting the interests of its Stakeholders

Good Quite Good Average

5. Which part of this report are you most concerned about/interested in?

6. What else do you think you need to know but is not reflected in this Report? If yes, please write down the content you are concerned about.
