

Xinyuan Property Management Service (Cayman) LTD.

2022

Environmental
Social and Governance Report



**Xinyuan Property Management
Service (Cayman) LTD.**

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About this report

In accordance to Appendix 27 Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Xinyuan Property Management Service (Cayman) Ltd. ("Xinyuan Service", or the "Company") and its subsidiaries (collectively known as the "Group" or "we") are pleased to present our Environmental, Social and Governance Report (the "ESG Report" or "Report"). The aim of the ESG Report is to provide our stakeholders with a comprehensive understanding of our environmental, social and governance ("ESG") performance, initiatives and achievements, and to illustrate our long-term commitment to fulfilling our corporate social responsibility.

Basis of preparation and data sources

This Report is prepared in accordance with the Guidelines on Environmental, Social and Governance Reporting provided by the Stock Exchange, and all data and cases are obtained from the statistical reports and relevant documents of Xinyuan Service. The Company undertakes that this Report does not contain any false records or misleading statements and is responsible for the truthfulness, accuracy and completeness of its contents. Unless otherwise specified, the monetary amounts involved in this Report are measured in RMB.

Reporting boundary

This Report covers the operations of Xinyuan Service and its subsidiaries during 1 January 2022 to 31 December 2022 (the "Reporting Period"). The Board of Directors conducts internal analysis every year to determine the scope of reporting, and decides to include the business of both headquarters and various management projects in this ESG Report. The Company has compiled KPI, as shown in this ESG Report and supplemented by notes for benchmarking purposes. The Company will continue to assess the key ESG aspects of the different businesses to determine whether they are required to be included in the ESG Report.

Reporting Principles

The ESG Report is prepared in accordance with the "Comply or Explain" provisions and the four Reporting Principles as required by the ESG Reporting Guide:

Material

This ESG Report discloses: (i) the process to identify and the criteria for selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and the results of the issuer's stakeholder engagement. For the relevant disclosures, please refer to "True "XIN" sincerity".

Quantitative

ESG data are presented numerically, so our ESG performance can be compared against our peers, industry standards and our previous year's performance. For the standards, methodologies, assumptions and sources of conversion factors used, please refer to "Appendix".

Balance

All information disclosed in the report shall be unbiased and free from any misleading presentation and omissions that may unduly influence the decisions of stakeholders.

Consistency

To ensure comparability, all ESG key performance indicators ("KPIs") calculations and assumptions are consistent with the previous year. Any changes in our approach are clearly disclosed to inform stakeholders.





CREATING AND ENJOYING A SMART URBAN HOME

01



Never forget the original “XIN”

1. About Xinyuan Service

1.1 Corporate overview

Xinyuan Service, founded in Zhengzhou in 1998, as the first Central China property enterprise listed on the Stock Exchange, has always adhered to the corporate mission of "creating and enjoying a smart urban home" and the "six-heart" service concept, and has moved from Zhengzhou to the national level, with a national layout around the five core regions of Central China, Yangtze River Delta, Greater Southwest China, Pearl River Delta and Bohai Rim. We have set up more than 54 branches in Beijing, Shanghai, Tianjin, Guangzhou, Chengdu, Sanya, Zhengzhou, Suzhou, Jinan, Xi'an, Henan prefecture-level city, etc. Our services cover residential, non-residential and urban spaces, including residential, commercial, public buildings, industries/ industrial parks, hospitals, schools, public venues and urban services, etc., we constantly focusing on customer needs and renew our service system. With the empowerment of technology, we focus on the major directions of "digital property" and "digital community", and build a private and public cloud through the whole perspective of customers, the whole career of employees, the whole closed loop of strategy, the whole cycle of assets, the whole process of business and finance. The Company has formed a pan-property industry ecosystem with the community as the base, the city as the service space, and the diversified industries as the pillars, and has assisted upgrade of China's urbanization service with Xin service of cost-effective, high satisfaction, and high service experience!

Company name Xinyuan Property Management Service (Cayman) Ltd.

Brand and services We have established a unique brand matrix around the dimensions of Xin property, Xin industry, Xin technology and Xin party construction, and our services cover three major spaces of residence, non-residence and urban, and five major fields of residential property services, commercial services, government public services, urban public services and industrial park services, involving a variety of industries such as residential, commercial, public buildings, industry/ industrial parks, hospitals, schools, public venues and urban services.

number of Staff 1543



1.2 Value system

Xinyuan Service has always adhered to the corporate mission of "creating and enjoying a smart urban home" and the "six-hearts" service concept, and is committed to providing customers with "cost-effective, high satisfaction and high service experience" services, aiming to become the leading intelligent provider of pan-property industry in China and assist in the creation and upgrading of China's urbanization service products.



Vision

Be the leading intelligent provider of pan-property industry

Mission

Creating and enjoying a smart urban home

Values

Cherish honor, defend responsibility, create value

Spirit

Pursue progress and excellence

Business philosophy

Being love-oriented, serving the society

Culture mechanism

Mutual symbiosis and win-win, cooperation and sharing

1.3 Glory

After more than 20 years of development, Xinyuan service has achieved fruitful results. We has been honored as one of the top 100 property service enterprises in China, a leading enterprise in property service in China, an excellent brand enterprise in property service satisfaction in China, a brand enterprise in property service strength in China, an influential enterprise in property management brand in China, and an outstanding enterprise in property management in China for 13 consecutive years. We have received more than 30 times national level receptions such as leaders of the Party and the State, and the Xinyuan brand is well-known throughout the country.

The Company received the following awards in 2022:





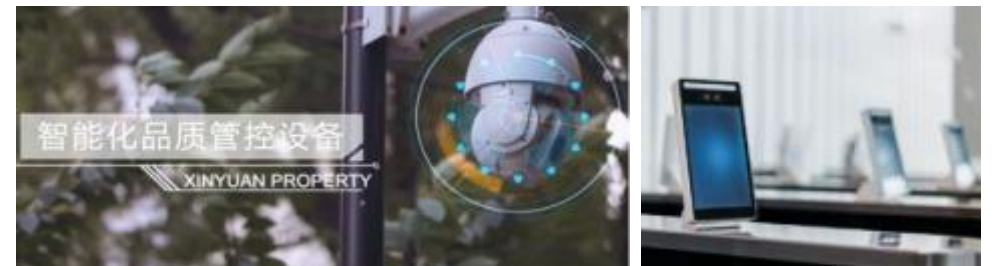
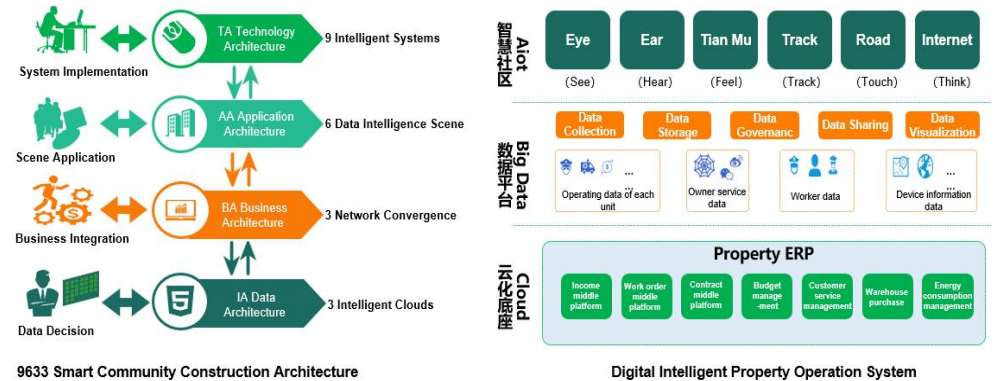
CREATION OF HAPPINESS ALONG WITH TECHNOLOGY 02



Digital intelligent "XIN" sharing

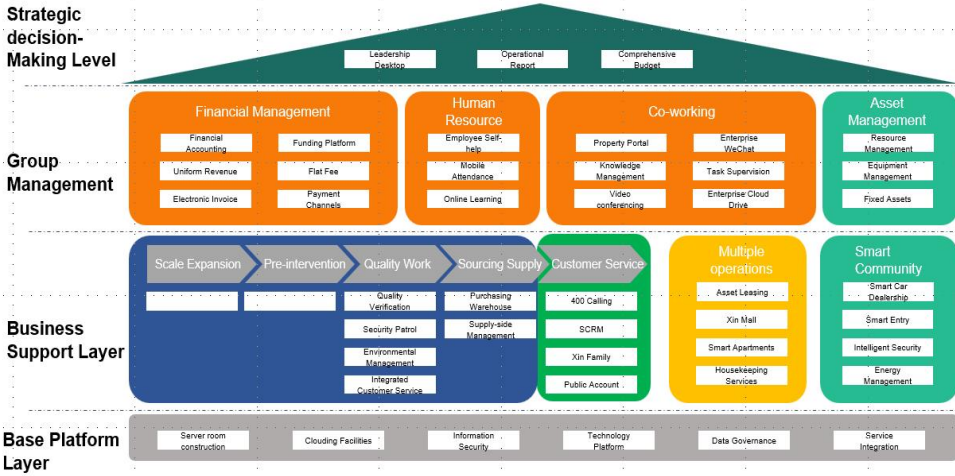
2. Digital intelligent "XIN" sharing, creation of happiness along with technology

In 2022, we focused on "digital empowerment" and "digital community" by actively using AI, big data, blockchain, Internet of Things ("IoT") and other technologies to meet customer needs. We have developed our own digital property MSP application model, innovated and developed the Digital Intelligence Community 9633 system, and realized service digitization, scene online, and operation visualization through the "Xinwu Cloud" big data service platform with all-round finance, all-round asset cycle, all-round customer perspective, all-round business process, all-round employee career, and all-round strategy closure. We adopt intelligence and details to interpret the service value, enable the intelligent service to cover the whole dimension of residents' life, and provide customers with the convenience brought by intelligent service in every scene.



2.1 Digital Empowerment

The Company has built a systematic internal information system around the whole closed loop of strategy, the whole career of employees, the whole cycle of assets, the whole range of business, the whole view of customers and the whole process of service, and empowered the daily operation and business management through digitalization. Through digitalized, intelligent and other quality control means, inspection costs were reduced by 67%; the implementation of the smart pass system reduced personnel input by 29%; the implementation of energy saving and consumption reduction measures such as smart meter renovation reduced unit energy consumption by 7% year-on-year; the implementation of digital support and sharing center increased the control range of middle-level personnel by 20% year-on-year.



2.2 Digital Community

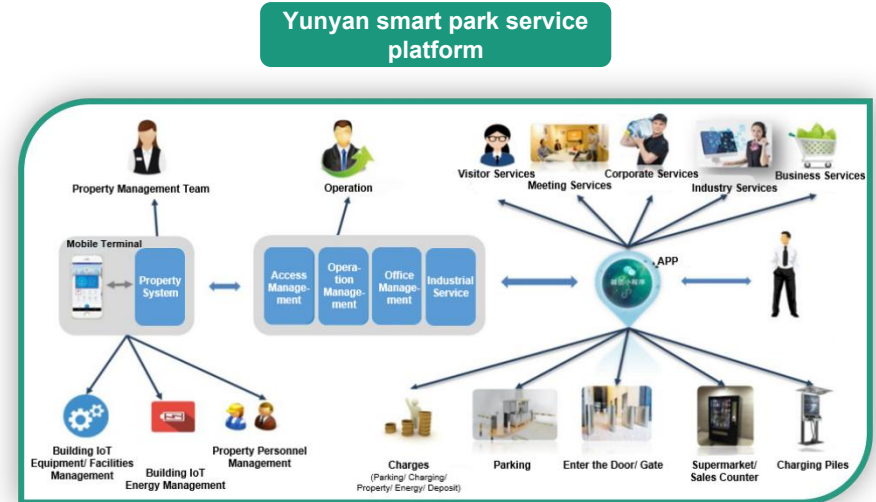
Xinyuan Service, centered on users, has independently developed the Digital Community 9633 System ("9633 system"), which includes 9 intelligent systems, 6 digital intelligence scenes, 3 network integration and 3 intelligent clouds. Through intelligent data platform services, we carry out diversified value-added businesses including community business, housekeeping services, leasing agency, community childcare, community recreation, intelligent life, etc., and realizes digitalization of services and online scenarios. Now we will comprehensively build a five-in-one ecological platform of enterprise Wechat, subscription account, service account, application and personal WeChat to provide one-stop community service support for owners and create a private, safe, beautiful, self-contained, healthy and happy community life.

Currently, the 9633 system is being continuously upgraded to integrate technology with digital smart community construction and operation by integrating a variety of intelligent systems and middle desk capabilities to achieve true interoperability, facilitate efficient operation and management services for all scenes of digital smart communities, and effectively enhance the rapid decision-making capability and personalized service capability of property companies.

2.3 Digital Intelligence Park

The Company has built its own Yunyan smart park service platform around the construction of smart cities, expanded its experience in large-scale property infrastructure operation and maintenance, IT operation and maintenance, and comprehensive property operation and management to the field of new urban infrastructure, and provided intelligent operation and management services for industrial parks, urban grids, government public buildings and facilities.

Xinyuan Service will continue to optimize the construction and application of digital intelligence park with the changes in the industry and internal and external environment, and continuously empower the optimization of Xinyuan Service's business model and the agility of its growth through digital transformation to continuously enhance the core competitiveness of Xinyuan Service.





Case: An Owner's Diary of Smart Living

LIMITED EXPOSURE: AN OWNER'S DIARY OF SMART LIVING MY STORY WITH 10 HOUSEKEEPERS

What conveniences can technology bring to life?

We need to start with the property services around us.

Since moving into the community serviced by Xinyuan, there have been services such as decoration registration, intelligent robots, smooth traffic flow, health consultation, safety protection and money-saving shopping...

A new experience of intelligent service throughout the entire process, today I will share my story with ten housekeepers.



MY DECORATION HOUSEKEEPER

Three years ago, I just had my first house, and I met the delivery housekeeper in Xinyuan—"Xin Family". She quickly took me through the "Renovation Filing" procedures and completed the online renovation filing, saving time, convenient and reliable!



DECORATION HOUSEKEEPER

MY PEDESTRIAN HOUSEKEEPER

One month after I moved in, I always forget to bring my access card when I go out, so Xinyuan Service installed a "Smart Access Control" system, and since then, this personal housekeeper has enabled me to live a life of "Opening the Door with My Face". What's even better is that when a friend comes to visit, I can also "open the door remotely", superb!



PEDESTRIAN HOUSEKEEPER

MY CAR HOUSEKEEPER

Later, when I go to work, I always look for the parking card when driving, open the window to swipe the parking card is time-consuming, my car housekeeper "Smart Car Line" appeared, she entered my vehicle information into the system. After that, my vehicle travels unimpeded. The vehicle automatically makes payment when I leave the vehicle, and the lever is automatically lifted when I enter and exit the gate. It saves traveling time and I am no longer afraid of being late for work.



CAR HOUSEKEEPER



Case: An Owner's Diary of Smart Living

MY HEALTH HOUSEKEEPER

Half year later, my parents came to visit me and saw the beautiful surroundings of the community with greenery and fairy air flowing, just like a fairyland. I introduced them to my health housekeeper — “Forest Fog System”, which not only enhances the looks of the park, but also improves the environment with aerobic breathing. I can feel the “Park Life” without leaving the community!



HEALTH HOUSEKEEPER

MY LIFE HOUSEKEEPER

Later, life is busy, I always forget the daily chores, but my life housekeeper — “Enterprise WeChat” is always worried about my life, sending blessings on holidays, timely reminders when the balance of utilities is insufficient, one click to report the failure of home appliances, and enjoy the fast dispatch service. It’s a great help!



LIFE HOUSEKEEPER

MY MONEY-SAVING HOUSEKEEPER

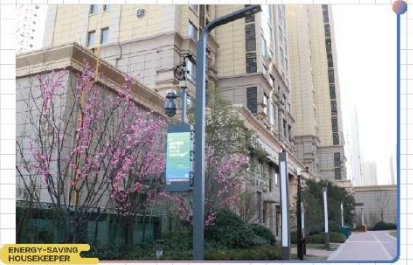
Two years ago, I found the money-saving housekeeper in the WeChat application — “Xiao Xin Preferential Shopping Mall”. I can buy quality goods at affordable prices, whether it is fresh food, food and oil, water delivery, drinks and liquor or digital home appliances, household appliances. Save money even at home.



MONEY-SAVING HOUSEKEEPER

MY ENERGY-SAVING HOUSEKEEPER

Half year ago, the community conducted an energy-saving renovation and invited an energy-saving housekeeper, the “Energy Consumption System”, a system that automatically adjusts the operating time and power of lighting, elevator operation and automatic sprinkler irrigation in the common area, saving energy and reducing consumption while promoting a green lifestyle, making the community vital in the long run.



ENERGY-SAVING HOUSEKEEPER

MY SECURITY HOUSEKEEPER

A year later, I had a child, playing in the community is always a concern, the community installed security housekeeper — “AI Cloud Monitoring” system, a full range of monitoring park dynamics. When the elderly fall and children are near the dangerous area, the monitoring system will automatically alert the police and the property staff will provide timely on-site service, which is full of security!



SECURITY HOUSEKEEPER

MY DOMESTIC HOUSEKEEPER

It is the first Spring Festival I lived in Xinyuan community, and I was too late to clean up the house to celebrate the New Year, so my neighbors recommended the domestic housekeeper — “Xinyi Good Life”, I just need to place an order with one click, and the service staff will come to my home. I can enjoy the New Year in a comfort way!



DOMESTIC HOUSEKEEPER

MY 24/7 HOUSEKEEPER

A year ago, when I was working late at night, all restaurant was already closed. I looked around and saw that the “Community Supermarket” was still light up with a wide range of food, and I could scan the code to buy and check out. 24-hours guarding delivery warmth to me!



24/7 HOUSEKEEPER



END

HAPPY LIFE IN EVERY “INTELLIGENT” WAY
INTELLIGENT HOUSEKEEPER
UNDERSTAND YOU BETTER



FURTHER UPGRADE THE SERVICE EXPERIENCE

03



Wonderful "XIN"

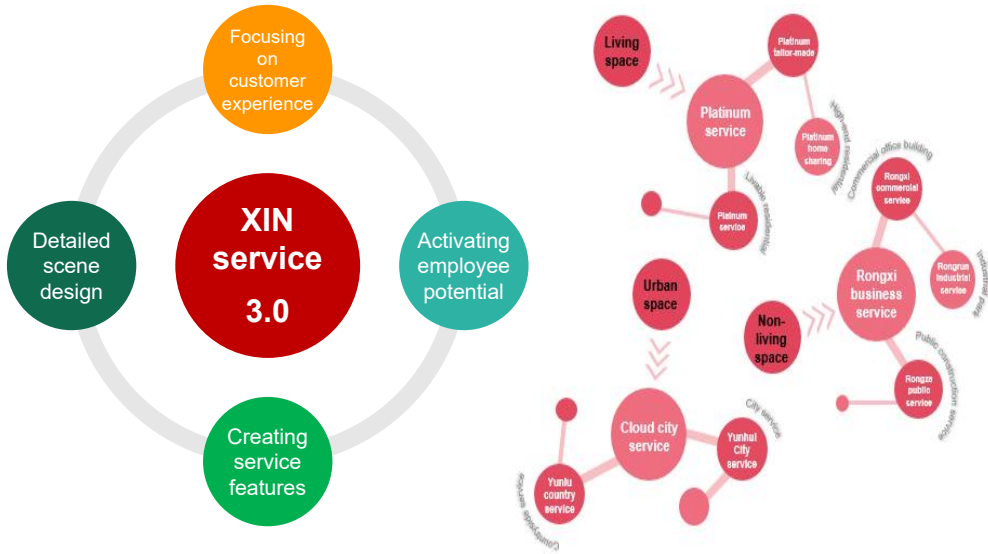
3. Wonderful "XIN", further upgrade the service experience

At the beginning of our establishment, Xinyuan Service advocated comprehensive management from the natural properties to the social properties of the house, so that what the owner owns is not only a "house that can preserve and increase its value" but also a "warm and comfortable home". We put forward the "six-heart" service concept and the corporate mission of "creating a beautiful home is our common wish".

3.1 Keeping the original aspiration and iterating the system to create "Xin Service" characteristics

With the development of the industry and the changes of the times, Xinyuan Service always adhere to the innovation of service system and the standardization of service products, constantly changing and upgrading the service system, from the original "Xin Service" 1.0 six-heart service concept to "Xin Service" 2.0 professional ability building, and then to the two-wheel drive of "Xin Service" 3.0 focusing on customer experience and activating the potential of employees to "Xin Service" 4.0 of multi-format, multi-field, and multi-carrier, gradually build a multi-format with Xinyuan Service characteristics service product line, improve service accuracy, and strive to provide owners with services with high cost performance, high satisfaction and high service experience.





Service 3.0

Combining service concepts with service scenarios

Service 4.0

Multi-industry, multi-field and multi-carrier service coverage

3.2 Expansion of service and format, "Xin" service 4.0 continuous upgrade

In 2022, a series of service standardization construction activities carried out around the implementation of Service System 4.0.

In terms of multi-sector services, we will improve service manuals and service standards in the field of non-residential services, develop a comprehensive set of customer service quality management standard system, optimize service details, solidify service processes, create multi-state service benchmarks and build a multi-state service brand matrix. Xinyuan service strictly implements various service standard actions in daily work, continuously provides customers with professional and high-quality property services, and has gained a good reputation among customers.



Benchmarking project 1

- China Automotive Engineering Research Institute



Benchmarking project 2

- Guangzhou Global Dream Tower



Benchmarking project 3

- Xinyang City Bookstore



Benchmarking project 4

- Zhengzhou Xinyuan Ming Jia



In terms of service guarantee, we implemented star-rated customer service and star-rated cleaning programs, established a perfect training and evaluation mechanism, and continuously optimize services; through maintenance and safety skills competitions, we continuously improve maintenance skills and safety guarantee to meet the owners' demand for high-quality services.



3.3 Concentrating on customers, deepening quality and building a full-cycle service system

In order to focus on customers, deepen quality, upgrade innovation, we build a whole life cycle management system, and create an intimate and thoughtful community life service system around magic time, fruitful life and wonderful private enjoyment.

Colorful life

We created five categories of community cultural activities, from relaxation and leisure to learning and improvement, more choices, more excitement, four seasons change, happiness non-stop, create online and offline nine IPs, so that the beautiful and warm activities always come as promised.



Magic time

We provide targeted service combinations around the whole life cycle service demands of owners. On special holidays and special occasions, we create a harmonious and lively neighborhood atmosphere for owners to enjoy a high-end and distinguished service experience.



Highlight



Private enjoyment

We provide a one-stop community service system that revolves around the comprehensive living needs of homeowners. In 2022, we upgraded our housing 4S business and launched a one-stop home decoration 4S service centered around new house decoration, old house renovation, interior micro-improvement, soft furnishings and accessories, and smart home. We strive for excellence with ingenuity to create the ideal home in the hearts of homeowners.

清新爱家新面貌
/全方位服务 助您生活无忧/

鑫怡美好生活

便捷购物新体验
/社区直达 优选配送到家门/

小鑫优选

房产租赁新选择
/真房源 高效率 好服务/

聚合房产

焕新居住新生活
/一站式家装服务 打造美好理想家/

鑫苑美居



PEOPLE-ORIENTED GROWTH TOGETHER

04



“XIN” towards prosperity

4. "XIN" towards prosperity, people-oriented growth together

4.1 Building a better future with customers

Xinyuan Service upholds the service concept of "being love-oriented, severing the society " and continuously improves its service capability. We provide customers with safe and high-quality services in daily services and emergency handling of major events through in-depth understanding of customer needs and active application of intelligent technology.

2022 key performance



93.2 %
Customer satisfaction

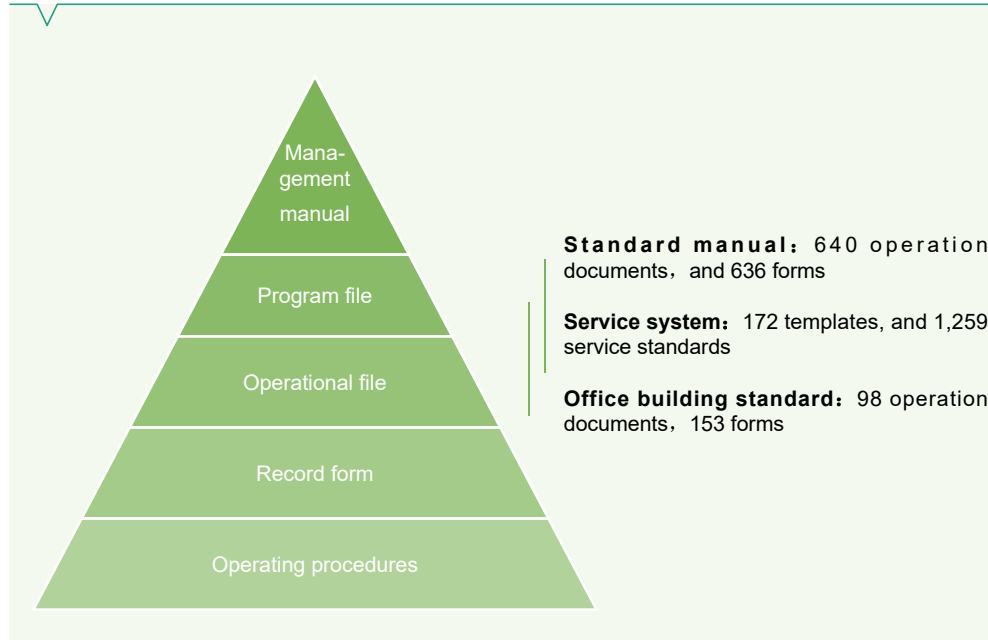
100 %
Complaints handling rate

Service Standardization Guarantee

Xinyuan Service strictly abides by laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and has established a standardized customer service quality management system. The overall quality control is based on the standardized management system, has experienced "from simple to complex, and then from complex to simple", and has completed the in-depth development from a single housing format standard to national differentiated standards, multi-format standards, and refined standards. Combining internal standards with informatization and governance scenarios to ensure more standardized services for owners.



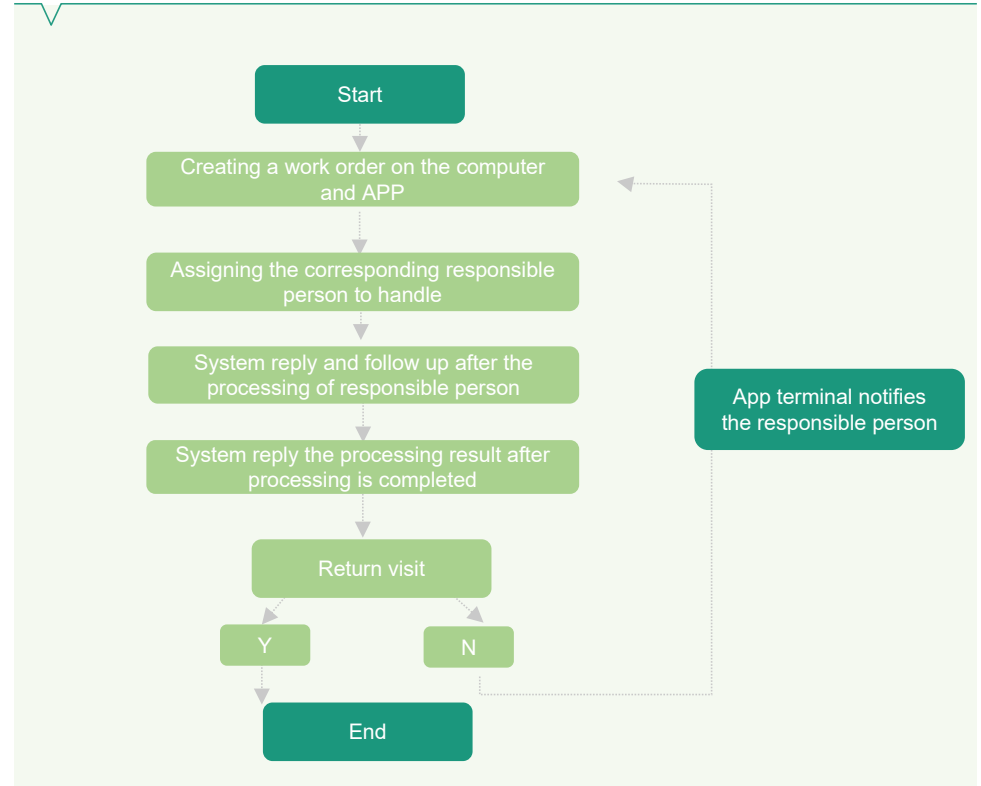
Standard system of customer service quality management



The Company's customer service quality management system has also received external recognition, obtaining ISO14001:2015 environmental management system, ISO45001:2018 occupational health and safety management system, and ISO50001:2018 energy management system certifications.

According to a survey conducted by the third-party professional organization, Beijing China Index Research Institute, Xinyuan Services had an overall customer satisfaction rate of 93.2% in 2022. Moreover, the Company has formulated the Training Manual for 400 Customer Service Center, and the Measures for the Management of Customer Reporting Information, which set out the specific procedures for (i) customers' call for assistance, (ii) report for maintenance, and (iii) customers' complaints and suggestions. During the reporting period, the Company received a total of 1,056 customer complaints, all of which were handled properly.

Handling process of customer complaints and reports



Positive response to customer needs

For the purpose of zero-distance communication with customers, Xinyuan Service established online and offline channels for its customers, and actively listens their requirements and suggestions, constantly strives to improve and optimize the Company's operations and customer service quality based on customers reply. The Company has set up the 400 Customer Service Center as an effective communication channel, which is for collecting and following up customer feedback. Obtaining customers' feedback through incoming call, email, website, WeChat, customer APP, and government transfer, recording them into the reporting system and following up the completion status and satisfaction return visit after the report is closed.



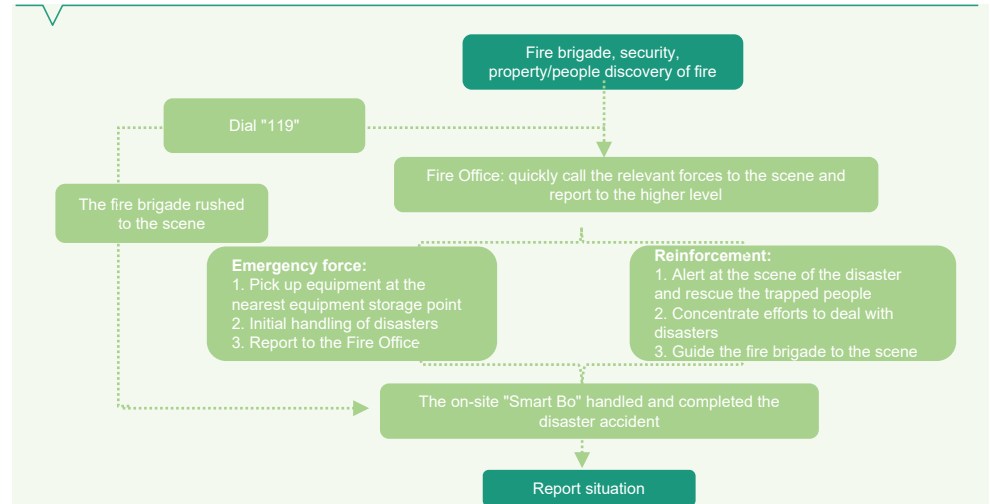
Emergency protection to protect safety

In strict compliance with the Work Safety Law of the People's Republic of China, and Fire Protection Law of the People's Republic of China, among other laws and regulations, Xinyuan Service has established a three level safety management system, namely "Company-Project-Team", and formulated systems such as Emergency Plan Handling Process, and Emergency Management Process, the Risk Source Identification Form for Daily Management of Property Projects, the Risk Source Identification Form for Maintenance of Facilities and Equipment in the Park and established risk management plans, and identifies the hazard sources in park facilities and public areas on a regularly basis.

Xinyuan Service has implemented the safety management of public safety affairs, traffic accidents, fires, and natural disasters through safety inspection, emergency rehearsal, and educational publicity to ensure the safety and health of customers and safeguard the community. In 2022, there were no violations against laws and regulations in terms of the health and safety of property services.



Emergency rescue procedures



For natural disasters caused by extreme weather such as rainstorm and flood, fire safety, typhoon and snowstorm, the Company has formulated a series of emergency plans and treatment mechanisms, including Natural Disaster Emergency Treatment Plan, Emergency Management Process, Flood Control and Typhoon Prevention Treatment Process, and performed dedicated rehearsal for various emergency plan regularly.

For property management projects located in coastal and inland cities, the Company arranges monthly flood control and typhoon prevention rehearsal from April to October every year. For the property management projects in northern cities that may experience snowstorms, relevant trainings and rehearsal are conducted in August every year. In order to strengthen community safety management, Xinyuan Service prevents potential safety risks through annual safety skills competitions, 100-day safety activities, and safety rehearsal to protect customer safety.



4.2 Growing together with employees

Xinyuan Service insists on the concept of symbiotic and win-win talent development with employees, and through talent incentive mechanism, talent development management and talent care action. We creates a service team with high comprehensive quality, strong execution, innovation consciousness and service ability to guarantee the perfect implementation of "Xin" service and sustainable development of the enterprise, while creating a sunny, healthy and harmonious workplace atmosphere for employees, and building a beautiful and happy home with them.

2022 key performance



1,543

Employees

100 %

Training coverage rate

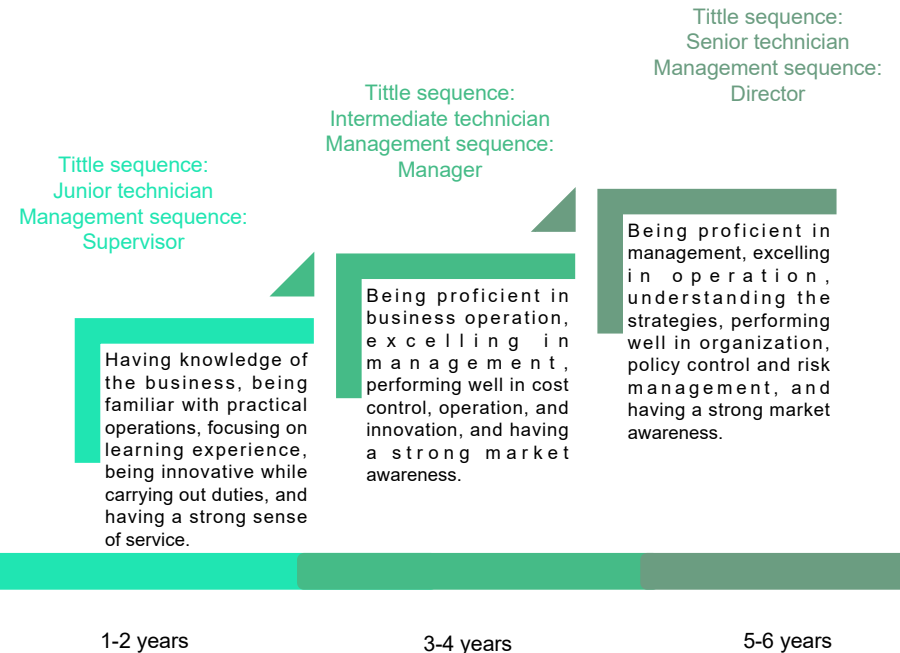
48.9% female employees



Employee growth and development

Xinyuan Service builds a precise and efficient talent development system around the strategic development needs of the Company through four aspects: (i) optimizing the talent standard system, (ii) precise talent allocation needs and acquisition efforts, (iii) clarifying the talent development path and (iv) improving the talent drive mechanism. The Company has established a talent standard system including talent allocation standard, employment standard, evaluation standard and promotion standard, and actively cultivates a reserve talent team to provide manpower support and guarantee for the sustainable development of the company while supporting the long-term development of the employees themselves.

Xinyuan talent growth path





To reward and retain outstanding talents, the Company established the performance appraisal management system, and directly links employee performance with bonus, length of service and salary increment. The Company motivates employees through diversified income distribution, honor awarding, spiritual motivation and all-round contribution incentive.

Income distribution	Honor awarding	Spiritual motivation	Special contribution
<ul style="list-style-type: none"> Salary=basic salary + allowance + over time payment + welfare + bonus 	<ul style="list-style-type: none"> Annual/ semi-annual team award Annual/ semi-annual individual award 	<ul style="list-style-type: none"> Honor, competition, interest, communication, training, expectation incentive, etc. 	<ul style="list-style-type: none"> Performance, service, length of service and social contributions

Full life-cycle cultivation process



Employee training empowerment

Xinyuan Service constantly improved the "five-principle" standard training system, and established a "Xinyuan talents" training mechanism. It has also formulated a selection plan for successful candidates and retain talents in key positions, provided employees with adequate learning resources such as on-the-job counseling, on-the-job training, rotation training and lectures held by internal instructors to improved employees' professional skills and management ability.

In 2022, Xinyuan Service further improved its key talent training system, mentorship system, training system, and job certification system, providing a 360-degree coverage of employee development throughout their entire lifecycle.



The key talent training system of Xinyuan College includes "Xin" growth, "Xin" cultivation, "Xin" melting, "Xin" excellence and other training programs, and the college will regularly organize training for specific personnel to promote the improvement of professional skills. In addition, Xinyuan College has set up the "Xin Academy" learning platform to further enhance the internal learning atmosphere of the Company.

Training categories	Periods / times
Staff level "Xin" growth	7 periods
Supervisor level "Xin" cultivation	2 periods
Manager level "Xin" melting	2 periods
City level "Xin" excellence	1 periods
Company Lectures	27 periods
Basic business line training	17,102 times

Employee care and communication

In terms of employee care, Xinyuan Service has established a comprehensive employee welfare system around the work and life of employees to enhance employees' sense of belonging to the Company. Employee communication is the bridge between enterprises and employees to establish a good relationship. Xinyuan Service has set up a variety of communication channels: regular democratic meetings are held to encourage employees to express their opinions freely; the heads of various departments hold personal talks with employees every month to listen to their demands. Respond to employees' reasonable demands in a timely manner, and continuously improve employee satisfaction and sense of belonging.



360-degree life-cycle care for employees

According to the employee's career lifecycle, we carry out employee lifecycle care actions in terms of onboarding, passing the probationary period, promotion, and commemoration of onboarding.

Onboarding Care

Welcome ceremony:
The first departmental / morning meeting for newcomers, departmental colleagues to introduce each other.

Counsellor management:
Develop a 1-3-6 counseling mechanism for newcomer, with the three roles of department head, counselor and HR liaison jointly participating in counseling new employees during the probationary period.

Seminars:
During the month when the newcomers are concentrated, we will carry out a seminar for new employees to understand the difficulties of work and life of new employees and accelerate their integration.

Growth Care

Performance communication:
Monthly cycle, performance interviews, high performers to give recognition, low performers to point out deficiencies, and continuous coaching to assist in skills improvement.

Employee transition:
Issuance of formal notice and greeting card for staff transfer.

Employee development:
With semi-annual cycle, HR Department will send out a unified list of staff who have not been promoted within two years / salary not adjusted within one year, and give development suggestions.

Skills training:
Focus on staff business skills and give more training and learning opportunities.

Ceremony Creation

Onboarding:
After onboarding, issued office supplies and welcome card, introduced office environment, set up face recognition and vehicle entry, and communicate with leadership.

Promotion:
Congratulate promotion employees and their families with thanks card.

Onboarding commemorative:
System series greeting cards, commemorative cards and customized gifts are sent to employees to commemorate their induction.

Birthday:
Sending the birthday message and birthday gift on employees' birthday.



Protection of employees' rights

In accordance with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, Xinyuan Service has formulated the *Employee Handbook*, *Operating Guidelines for Employee Recruitment Management*, *Operational Guidelines for Employee Induction Management* and *Operational Guidelines for Employee Resignation Management*, which regulate the recruitment, dismissal, salary and welfare of employees, and effectively protect their legitimate rights and interests.

Xinyuan Service adheres to the principles of meritocracy, open recruitment, and merit-based admission to create fair employment. Implement gender equality recruitment, build a diverse workforce. Adhere to the principle of local recruitment, expand the proportion of local employees, and promote local employment rate. At the same time, sign labor contracts with employees and pay social security provident funds to ensure the rights and interests of employees.

To prevent the employment of child labor, the Company conducts a second review of the information and employment qualifications provided by new employees, and it is strictly forbidden for persons under the age of 18 to enter the job. In 2022, the Company did not hire child labor.

4.3 Win-win cooperation with suppliers

Xinyuan Service follows the principle of fair trade, and strives to achieve mutual benefits with its suppliers and other partners. The Company implements the full lifecycle management (covering introduction, review and withdrawal) for its suppliers, values the social and environmental performance of suppliers, and builds a responsible supply chain jointly with suppliers.

Occupational health and safety



ISO45001:2018 Occupational Health and Safety Management System Certification Certificate

In strict compliance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Xinyuan Service has established a complete occupational safety and health management mechanism, and formulated the *Operating Guidelines for Employees' Occupational Health and Safety Management*, to identify dangerous and harmful factors such as environment, engineering equipment and fire safety, formulate emergency plans for emergencies, and ensure employees' occupational health and safety.

The Company requires new employees to sign a "Company-Project-Team" three-level safety education card to strengthen their safety awareness. It has passed ISO45001:2018 Occupational Health and Safety Management System Certification.

In 2022, Xinyuan Service carried out several occupational safety education and trainings in the form of case sharing for employees. During the Reporting Period, the Company had not identified work related injuries or fatalities and there are no lost days due to work injuries also.

2022 key performance



280

suppliers



100 %

Suppliers evaluated in the term of environmental, labor, ethics, and etc.



98 %

Suppliers qualified upon evaluation in terms of environment, labor, ethics, etc.

Supplier quality management

Xinyuan Service mainly corporates with five categories suppliers, (i) engineering construction;(ii) materials and equipment, (iii) service outsourcing, (iv) event planning, and (v) informationization. In accordance with the *Anti-money Laundering Law of the People's Republic of China*, and *Bidding Law of the People's Republic of China*, among other laws and regulations, Xinyuan Service has formulated the *Guidelines for Supplier Management* of Xinyuan Technology Service Group Co., Ltd. to review the qualifications, relevant certifications and performance of suppliers to ensure that the selection of suppliers meets the Company's management norms and requirements.



Stage	Appraisal contents	Appraisal documents
Earlier stage	Information review	<i>Summary of information and Background Investigation of Shortlisted Suppliers, and Supplier Investigation Report</i>
Performance period	Performance evaluation	<i>Supplier Performance Evaluation Form and Comprehensive Outsourcing Service Scoring Sheet</i>
Completion of performance	Acceptance inspection of results	<i>Supplier Ranking Table</i>

Among the Company's five major categories of suppliers, suppliers of engineering and construction, materials and equipment and service outsourcing are prone to environmental impacts, and the Company takes targeted management measures for these three categories of suppliers.

Supplier category	Management highlights
Engineering construction	<ul style="list-style-type: none"> ✓ The ecological environment shall not be damaged during construction. Otherwise, the supplier shall bear corresponding responsibilities. ✓ The discharge and disposal of wastes shall comply with the relevant provisions of the government, and the disposal records shall be well kept.
Materials and equipment	<ul style="list-style-type: none"> ✓ It is necessary to encourage suppliers to provide green equipment and materials, and put forward relevant requirements in the bidding document.
Service outsourcing	<ul style="list-style-type: none"> ✓ For outsourced cleaning services, application of cleaning equipment will include in the service contract, such as use of energy-saving, environmentally-friendly, and low-noise equipment. We also require outsourced vendors to purchase low impact soil and water pollution disinfectants and cleaning chemical when performing their job. ✓ For outsourced landscaping services, our service contract stipulated that the vendors shall not pollute the water when performing their job. Work shall be done to avoid ecological damage to the construction environment.

Supplier environmental management

In order to strengthen the risk management of the supply chain environment, we launched an intelligent procurement system in 2022 and improved various regulations such as "Supplier Management Business Guidelines", "Procurement Management Ledger Application Guidelines", "Supplier File System Management Measures" and "Tendering Management Business Guidelines". These measures promote the understanding of our integrated supply chain management system among all parties involved in the supply chain, encourage them to ensure product/service quality and protect the environment.

Supplier management content	Management Highlights
Before hiring a new supplier	Audit the relevant qualifications of suppliers, such as production qualifications, financial strength, business risks, etc.
Inspection of shortlisted suppliers	Conduct key checks on suppliers' production scale, product quality and actual management level, compliance, etc., such as verification of safety permits, discharge permits, employee payment of social security, etc., and verification of its rectification if it receives administrative penalties from environmental protection departments.
Suppliers who passed the assessment were put into supplier pool	When the Group has procurement needs, the selection will be made in the form of bidding in the pool of qualified suppliers, and the new supplier will supply to the Group after winning the bid and signing the contract.
Supplier Evaluation	The Group conducts occasional inspections during the supply process of suppliers to verify their compliance in the production and service process, organizes centralized performance evaluation in cooperation units every six months, and adjusts supplier level based on the performance evaluation results, and evaluates the best suppliers at the end of the year in conjunction with the annual evaluation

Supplier integrity management

The Company attaches great importance to the labor and integrity management of suppliers, and pay attention to their status through Credit China and China Judgments Online. The Company will not cooperate with the suppliers who involved in more than 3 labor disputes. Meanwhile, it provides anti-corruption trainings and adopts publicity measures, etc., to prevent suppliers from committing corruption.

- Internal**
 - Provide periodic anti-corruption training for procurement personnel
- External**
 - Sign the Bidder Statement to ensure the legality, compliance, rationality and seriousness of bidding.
 - Carry out supplier certification, and set up an inspection team to conduct on-site inspection or supervision certification.



PROTECTING ECOLOGY BY GREEN DEVELOPMENT

05



Green "XIN"

5. Green "XIN", protecting ecology by green development

Xinyuan Service actively undertakes the environmental responsibility of corporate citizenship and is committed to building a more prosperous and sustainable society. With sustainable development and environmental protection at the core of its operations and management, it actively promotes environmental protection, resource conservation and social responsibility through multifaceted initiatives and practices, and promotes green, low-carbon and sustainable development. The Company leverages its advantageous to practice corporate responsibility in green properties, green offices and green supply chains, actively addressing climate change and contributing to a beautiful ecological environment.

2022 key performance



Reduced energy consumption intensity

The Company's energy consumption intensity decreases by 13% in 2022 compared to 2021 due to comprehensive ESG management system.



Reduced water consumption intensity

The Company's water consumption intensity decreases by 8% in 2022 compared to 2021 due to comprehensive ESG management system.

5.1 Environmental management

In strict accordance with the *Environmental Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on Prevention of Environmental Pollution Caused by Solid Waste*, among other laws and regulations. Xinyuan Service has formulated a series of environment related systems, such as the *Management Guidelines for Environmental Service Providers*, the *Operating Guidelines for Annual Key Nodes of the Environment*, and the *Classification Management Guidelines for Domestic Waste*. Xinyuan Service has established a perfect environmental protection management system, and specially set up an environmental protection operation team to perform the following duties jointly with various departments within the Company, so as to prevent environmental risks.



Xinyuan environmental protection management system



Business Management Center

Identifying, evaluating and updating the Company's environmental factors in environmental protection requirements. Determining pollution prevention measures and system control methods, and planning and implementing environmental protection management process. The Project Management Center provides technical support.



Environmental Operation Team

Responsible for identifying, evaluating and updating the environmental factors and environmental compliance obligations of the Company and the region/city, identifying pollution prevention measures and systematic control methods, and reporting the results to the Business Management Center.



Each department

Implement pollution prevention measures and system control methods in collaboration with the identified measures, and the Business Management Center is responsible for inspection and monitoring.



Legal Audit Department

Responsible for auditing the adequacy and appropriateness of the Company's and regional cities' compliance obligations and performing environmental compliance evaluations.



In order to further strengthen the Company's environmental management, we will set relevant environmental goals at the beginning of each year and further improve the collection, statistics and analysis of relevant environmental performance.

The Company has passed ISO14001:2015 Environmental Management System Certification and ISO 50001:2018 Energy Management System Certification. In 2022, there were no violations against any laws and regulations related to environmental protection.

5.2 Energy management

The energy consumed by Xinyuan Service is mainly from purchased electricity. The Company has formulated the *Operating Guidelines for Energy Consumption Control* to authorize the standardized management of energy utilization, specifies the responsible persons for energy consumption management, and regulates the power consumption of equipment in public areas.

2022 energy management target: The Company sets the energy management target at the beginning of each year. In early 2022, it set a clear goal of reducing the total energy consumption during its business course by 5% compared with 2021.

Energy consumption management of managed projects: The Company regulated the installation of public measuring equipment such as electricity meters, the preparation of basic data of the projects' energy consumption and measurement analysis, as well as the rectification of extra loss or missing measurement through the results of energy consumption analysis. At the beginning of each year, the project equipment supervisor prepares energy saving and emission reduction measures. Besides, the staff develops and implements technique upgrade plans for the following year based on goal. The person in charge of the Engineering Management Center reviews and supervises the implementation of the energy conservation and emission reduction plan for each project.

Energy conservation and emission reduction concept: To promote the construction of beautiful China, down to the property services, is to focus on promoting green development, circular, and low-carbon development, accelerate the promotion of energy saving and pollution prevention.

Xinyuan key energy conservation and emission reduction actions

- ✓ Establish Intelligent irrigation system, smart charging pile, smart meter and other intelligent equipment
- ✓ Replace energy-consuming stacked water supply equipment with energy-saving pumps
- ✓ In waste removal, new technologies and tools are introduced, and clean energy facilities are used
- ✓ In the project park, supporting facilities such as charging piles are installed for new energy vehicles



2022 Energy consumption data: By the end of 2022, the Company's overall energy consumption intensity decreased by 13% compared to 2021, exceeding the target. In the future, we will further upgrade our energy management system to contribute to the green innovation of the property management industry.



5.3 Water resources management

Our water supply mainly comes from municipal water supply so there is no difficulty in obtaining stable water sources. In strict accordance with the *Water Law of the People's Republic of China*, and the *Regulations on Water Conservation Management in Henan Province*, the Company has formulated the *Operating Guidelines for Energy Consumption Control*, which clearly regulates water management, including water meter installation requirements of various projects, compilation of main water consumption data, monitoring and analysis of water consumption, and prepare rectification plans for abnormal water consumption.

2022 Water utilization target and data: In order to ensure efficient water use and achieve water conservation targets, the Company has established incentives for project personnel who complete monthly and quarterly water use target on time. At the beginning of 2022, the Company set a target of a 5% reduction in water consumption intensity compared to 2021. By the end of 2022, the Company's water consumption intensity had decreased by 8% compared to 2021.

Water utilization: During the routine water replacement and winter drainage for residential projects, the Company takes full advantage of the discharged water for community landscaping. We adopt high-pressure scrubber in the cleansing of the parks, make sure the clean water can be evenly sprinkled on the ground, and the wastewater after cleaning is recycled through the ground sewage collector, which ensures efficient water use while avoiding the waste of water resources. In addition, Xinyuan Service responds to the national Sponge City construction policy, makes full use of rainwater resources, and helps build the "Sponge City" water storage system in Puyang Yindi Marbu Project to recycle the collected rainwater for community greening and watering. Besides, our Xinduhui project was awarded as a water-saving community in Chengdu as we fully implement the concept of green development and the optimal policy of water saving.



5.4 Emission management

The emissions generated by Xinyuan Service during business operation mainly include sewage, exhaust gas, dust, noise and solid waste. In strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, and the *Circular Economy Promotion Law of the People's Republic of China*, among other relevant laws and regulations, Xinyuan Service actively implements the national and local policy requirements on waste classification. The Company has formulated the *Management System for Prevention and Control of Wastewater, Exhaust Gas, Dust, Solid waste and Noise Pollution*, and applies different disposal measures for different emissions to reduce the impact of emissions on the environment following the principles of classified collection, comprehensive utilization and reasonable disposal.

In 2022, the Company plans to further strengthen control at the source of emissions, strive to reduce wastewater, exhaust gas, dust and noise, and transfer waste recycling to professional institutions for resource utilization in order to reduce generated exhaust gas. The following are the sources of waste and control measures provided by Xinyuan Services.

Waste and control measurement

Category	Source	Control measures
Dust and noise	Generated from the landlords' decoration	<ul style="list-style-type: none"> ✓ Limiting the duration of decoration, and prohibiting construction at night without approval; ✓ Wrapping the indoor smoke detector and air conditioner vent before decorating the office; ✓ Signing the Commitment Letter of Safe and Civilized Production with the outsourcer, and introducing wet operation during construction.
Sewage	Generated from various cleaning activities during the property service	<ul style="list-style-type: none"> ✓ Discharging sewage emitted from office buildings into the municipal sewage pipe network through sewage pipes; ✓ Inviting professional institutions to test the sewage generated in the production process of the industrial park and that discharged from the centralized dining area of the office building, the test results shall meet the <i>Integrated Wastewater Discharge Standard</i> before Sewage being discharged into the municipal sewage pipe network.
Exhaust gas and dust	Generated from the production process of industrial parks and catering services	<ul style="list-style-type: none"> ✓ Guiding enterprises to protect the environment, and setting up exhaust devices above the dust-generating section to ensure no obvious fugitive emission source; ✓ For dust and smoke generate by catering services, we configured dust removal equipment and facilities, such as installing exhaust fans in the operation room and using filtering cotton to prevent air pollution. We monitor the smoke emission each year to ensure satisfy the requirement of relevant national standards.



Category	Source	Control measures
Solid waste	<p>Hazardous wastes such as diesel oil, waste circuit boards, and waste cadmium nickel batteries, etc.</p> <p>Non-recyclable wastes, such as leaves and weeds, and recyclable wastes, including waste plastics and scrap iron</p>	<ul style="list-style-type: none"> Ensuring that each department identify, classify and collect all kinds of wastes generated by their own departments according to their characteristics, and send them to the designated storage places as stipulated; Placing at least one special garbage bin with obvious identification in the park for hazardous wastes, and the identifications shall include but not be limited to: waste lamps, waste batteries, waste toner cartridges, etc.; arrange a separate area for office equipment, toxic and harmful substances; putting waste into the corresponding garbage bins; and the special garbage bins are equipped with locking devices and kept locked; Urging customers to avoid dumping, spilling and careless loading and unloading of wastes during transportation; Collecting all hazardous wastes centrally and entrusting them to qualified units for transfer.
Noise	Generated by the operation of mechanical equipment, such as air compressor, blower cutter, pulverizer, etc.	<ul style="list-style-type: none"> Purchasing low noise equipment, strengthening repair and maintenance to reduce the noise caused by mechanical vibration and friction; Placing the noisy equipment indoors when operate the machine, and utilized the park features to shield noise with building sound insulation; taking basic vibration reduction measures, or installing silencers for equipment with high noise; Ensuring that the responsible department identify the noise source and the reason substandard, rectify them expeditiously, and keeps relevant records of the noise exceedances in quarterly inspection.

5.5 Green offices

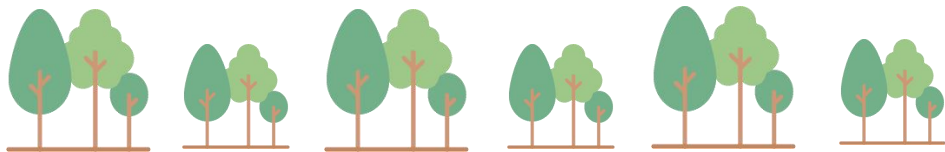
Xinyuan Service advocates the concept of energy conservation and emission reduction, actively cultivates employees' environmental protection awareness, and promotes green office. We promote the green operation in offices, strives to reduce offices' energy consumption and resource waste.

Waste recycling: In terms of waste recycling, we have set up four types of trash cans in the office: recyclable, kitchen waste, harmful, and others to ensure that domestic waste in the office is effectively classified, and harmful waste is centrally treated to reduce pollution to the office environment.

Water and electricity conservation: In terms of water and electricity saving, we posted water saving and electricity saving signs in the office area, tea room and toilets. We adjust the time and temperature of air conditioning as seasonal changes. Employees must turn off their computers when they leave their seats for more than one hour. The last employee to leave the office should check whether any colleagues forget to turn off their computers and lights.

Decarbonization of offices: We actively promote the decarbonization of offices, advocate double-sided printing, recycle of printed paper for secondary use, and control the amount of paper used in each department on a daily basis; promote electronic signature, reduce the use of paper contracts, and improve the efficiency of contract stamping. Through the online approval process and online meeting, the paperless concept and low-carbon office has been strengthened.

Green offices: In terms of green office publicity, we have formulated the *Office Area Management Rules* to promote and practice the concept and implementation standards of green and low-carbon to every employee. We carry out daily adoption of a pot of green plants to create a beautiful office environment, and launch the "Lights Out for an Hour" activity, practice the concept of low-carbon office.





RESPONSIBLE HOME GUARDING PRACTICES

06



Always keep the first "XIN"

6. Always keep the first "XIN", responsible home guarding practices

Though small but great, though ordinary but extraordinary, Xinyuan Service are like a seed that takes root downward and grows towards the sun in community governance and the common construction of wonderful life, taking responsibility and guarding the brightness.

As the first Central China property enterprise listed in the Stock Exchange, Xinyuan Service gives fully play to the role of property enterprises in community grassroots governance and cultural construction, always adheres to the red property construction led by Party building, continuously integrates its service tentacles into community governance, and takes responsibility in face of the daily construction of beautiful homes and major public health disasters, becoming a "force" in national grassroots social governance.

6.1 Party building leads to create a bright "XIN" home

As the "last mile" of urban governance, on the basis of quality service, Xinyuan Service continues to strengthen the red property construction led by party building, insists on the principle of "party branch building on the project". Wherever the enterprise develops, the party branch will be established and party activities will be carried out. We created a "Xin Fire 6+1" red property service model with multi-business, multi-field, and multi-carrier red service access, internalizing party building into the cohesion of organizational development, transform it into productivity for enterprise development, and deepen it into a guarantee for a better homeland.





Party building leads multiple integration, jointly construction to solve problems

Through the joint participation of multiple subjects in social grassroots governance and urban service upgrading, to create a red property service situation of co-governance, co-construction, co-management and sharing. The party branches of Xinyuan Service maintain close communication with the local communities and streets, implement the party's routes, guidelines and policies, actively explore new approaches and new models suitable for local community governance.

In 2022, we formed more than ten working methods such as the characteristic "Ten-Heart" consultation and deliberation method and the "Five Xin" service method, and created volunteer service teams such as the "Red Building Branch" and the "Anti-epidemic Action Branch" to give full play to the pioneering power of party members and to unite the multi-faceted cooperation of the community and owners, so as to realize the closed-loop management of minor matters not leaving the district, major matters not leaving the community and difficult matters not leaving the street.



Six-dimensional project to create warmth, all-age care at your fingertips

Along with the expansion of the Company's multi-format services, Xinyuan Service has integrated the construction of red properties into the services of each form of business. To deepen the cultural atmosphere of the park, residents have faith in the spirit through "A Red Atmosphere Creation"; to meet the production and living needs of owners in a timely manner, we provide convenient services to owners with "Red Convenient Station" from the time, space and efficiency dimensions; around the difficult points of community governance in the upgrading of urban services, we focus on community elderly services, childcare services, stock renovation and intelligent community construction through "Red Warmth Project" to bring practical improvements to the residents' life; In order to enable owners to obtain high-experienced service perception, iteratively upgrades the Xin service system to form a "Set of Red Xin service" 4.0 to enhance the sense of acquisition of owners; In order to unite the joint efforts of the community, property and owners, we carry out volunteer service activities in the three major sections namely community service, party lectures and social welfare through the "Xin Fire Service Team" to create a harmonious and beautiful community atmosphere; around the development and education needs of residents, we carry out diversified developmental and skill-based training services through the "One Red Community Lecture Hall".

	<p>A red convenient station</p> <p>We provide efficient and convenient services to our customers in terms of time,</p>	
<p>Create a red atmosphere</p> <p>Visual atmosphere creation, daily property service pass "red culture", establish "red benchmark" and share "red story".</p>		<p>A red warmth project</p> <p>Focusing on the four warm projects on community aging (Silver Hair Warmth), childcare services (Green Seeds Project), stock renovation (Stock Renewal) and smart community, it brings tangible improvements to residents' lives.</p>
<p>A set of red Xin services</p> <p>Party building services are highly integrated with Xin Service 4.0, and each business mode delivers red warmth through service design and activities such as "Encounter Beautiful", "Convenience Services" and "Five-color Light Plan" public welfare activities.</p>		<p>A red community lecture hall</p> <p>Integrate social resources, gather professionals, focus on the educational needs of residents, provide training for the elderly, middle-aged and young people, and help upgrade their abilities.</p>
	<p>A red volunteer team</p> <p>Actively set up a red volunteer team with property staff, district owners and community personnel to carry out volunteer services around the three major sections such as community service, party building propaganda and rural revitalization.</p>	



Colorful community activities, red culture neighborhood support

In order to enrich the community life for owners, Xinyuan Service continuously carries out the five types of community culture of "rule-based, learning-based, enhancement-based, enjoyment-based and leisure-based" to improve the comfort, satisfaction, happiness and sense of belonging among owners.

➢ Four seasons theme, Six-dimensional activities, Nine "XIN" style IPs, Warming the life

In 2022, combined with the new norm of the epidemic, the community activities provided to customers in each Xinyuan Service' parks are organized in six dimensions: community, folklore, service, red category, public welfare, and four seasons. The activities will be organized throughout the year, with a combination of online and offline, around the four major themes of the "Spring Breeze", "Colorful Summer", "Golden Autumn" and "Winter Warmth", a total of 52 community-themed cultural activities were organized, with 3,861 sessions, attracting 211,200 homeowners to participate, which greatly enhancing the customer experience and making the community warmer.



➢ Provide support and love to the elderly, let the elderly have a sense of support and happiness

Xinyuan Service focusing on "implementing the national strategy of actively coping with population aging". In the exploration of the "property + elderly service", we relying on our own service advantages, has established an elderly account in residential projects and formed a differentiated and multi-level elderly service system around the elderly service needs of different levels and categories. A differentiated and multi-level elderly care service system is formed from community elderly assistance service, to home recreation service, and then to community embedded elderly care service.

We focus on the elderly groups such as those living alone, widows and those with physical and mental disabilities, and regularly visit their homes to care for them physically and mentally; we continue to promote our service brands such as "Xin Accompaniment" to help the elderly through community cultural activities such as the "Parents' Love and Golden Wedding Celebration", the "Tribute to the Military" veterans' sympathy activities, the "Hundred Families Banquet" and the Elderly Association, thereby making the neighborhood more friendly and the community more harmonious.

Case

Kunshan Shuian Shijia: actively participates in community governance with local community and set up a volunteer team of "Auntie Knocker", inviting enthusiastic owners to join the volunteers and pair up with the elderly living alone to assist elderly's needs.

Zhengzhou Xinyuan Mingjia: actively connects with the community, promoted aging-friendly renovation, established Xin canteen, day care center, elderly reading room, elderly activity room and other venues, and enriched "Red Sunset" activities such as reading club, modeling team and choir, and was awarded "National Model Age-Friendly Community" by National Silver Industry Commission.





➤ **Green Shoots Project, Caring Children, Providing Support for Babies and Children**

Xinyuan Service focuses on "Home-school Cooperation", implements the "Green Shoots Project", and utilizes the holidays to carry out summer camps such as the "Eagle Program" and the "Shining Red Star". We also focuses on the difficulties of picking up children and opens a 4:30 classroom to provide pick-up and drop-off services, classroom tutoring, interest cultivation and other custodial services, as well as a parenting class to help new parents quickly adapt to childcare life. In addition, we continue to carry out brand activities such as "Xin Escort" high school entrance exam escort and "School Opening Season" to help Xin students learn and grow happily.

Case

Every year from June to August, Xinyuan Xi'an Metropolis organizes the "Flying Eagles" growth training camp, and carries out a variety of community cultural activities around the summer safety education and interest cultivation for young owners. In view of the high occurrence of drainage incidents in summer, we organize drowning prevention and cardiopulmonary resuscitation training for young owners to improve their emergency self-rescue ability.

The Anyang Shuimu Mingmen project innovates the "Colorful Childhood" care program, with "Planting Wishes and Waiting for Flowers" tree planting festival in spring, "Shining Red Star" red storytelling in summer, "Children Painting Leaves" leaf festival in autumn, and "Time Travel" neighborhood festival in winter, allowing children and parents to live a joyful parent-child life and create a harmonious and happy community.



6.2 Fight against the epidemic, take responsibility and protect the home

In 2022, China experienced repeated attacks on the spread of epidemics. In order to perform well in epidemic prevention and control, Xinyuan Service gives full play to the leading role of the party committee, the party general branch and the party branch, plays the leading role of party members in responding to key and difficult issues, raises it as an important part of service upgrading, makes detailed arrangements for epidemic prevention work and forms targeted prevention and control mechanisms.



Standards and norms are set up for every service, from the preparation of materials, to the maintenance of epidemic prevention, to the training of personnel. Every community service worker is trained in strict epidemic prevention work, every community space is thoroughly disinfected, and every work is managed in a closed-loop manner.

In daily property management, public health management and in-depth disinfection and prevention and control are consolidated into routine service actions, and always be vigilant; during the epidemic prevention and control period, the epidemic prevention and control model is rapidly upgraded, and measures such as epidemic prevention and disinfection, verification and control are fully carried out to ensure the safety of owners. The community epidemic prevention work is monitored in all aspects through intelligent equipment and systems to ensure that epidemic prevention work is carried out without dead ends and to guard the safety of homeland.



When the city was pressed the pause button, Xinyuan Service workers pressed the fast-forward button to fight against the epidemic. They were busy in every corners of the community, leaving behind the elderly and children who needed care at home, and chose to stay in the projects from day to night.

With unremitting perseverance, Xinyuan Service people have built a strong "Xin" defense line for the owners to prevent and control the epidemic, which has won high recognition from the owners, community and the media.

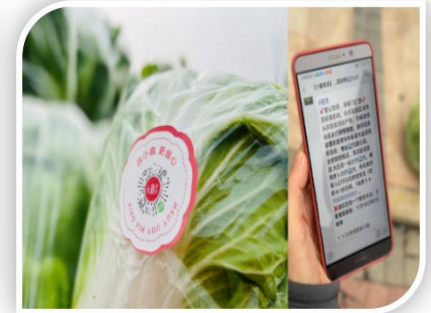
Using online e-commerce platform, public platform, APP, etc. to publish public welfare advertisements and posters, advocate the concept of public welfare; promote special agricultural products to help consumer poverty alleviation, donate money for the installation of street lights in the countryside to help improve the infrastructure of the countryside; participate in the "Tibetan Youth" program organized by the Chinese Community Alliance to subsidize poor students in Tibetan areas; donate books to Wenchuan Dongxing Primary School in Sichuan, donate supplies to Wuhan, Anyang and other areas with serious epidemics, and make donations on Charity Day; carry out daily activities such as "Planting a Tree to Protect Mother River", "Xin Escort" to assist with examinations, public service and voluntary blood donation. We continue to practice social responsibility and contribute to a better life.

6.3 Serving society with love, Bearing charity mind



2022 Donation
\$ 10,000

Xinyuan Service has always adhered to the business philosophy of "love-oriented and serving the society". While bringing high-quality products and services to the market, we has continuously participated in charity affairs, transmitting positive energy to the society, spreading great love and demonstrating the "Xin" power.





COMPLIANCE MANAGEMENT PROMOTE DEVELOPMENT

07



True "XIN" sincerity

7. True "XIN" sincerity, compliance management promote development

Xinyuan Service attaches importance to corporate governance, gradually promotes the integration of ESG management and corporate governance, continuously strives for effective communication channels with stakeholders, and strengthens compliance and risk management, laying the foundation for the future long-term development of the Company.

7.1 ESG management

Xinyuan Service prioritizes sustainable growth, social prosperity, community living experience, and integrates them into the Company's strategic planning. The Board of Directors, responsible for ESG management, formulate and identify relevant policies and key performance indicators of the Company, monitor the achievement of ESG goals. The Company has set up an ESG working group consists of core personnel from general manager office, and various functional departments and regions to collect ESG information, report preparation and implement other tasks, so as to promote the environmental, social and governance work.

ESG governance structure



Board of Directors

Developing and confirming the Group's ESG-related policies key performance indicators, and monitoring the completion of the ESG targets.



Management

Communicating ESG requirements to functional departments through internal policies, and setting quality, environment and safety objectives.



ESG working group

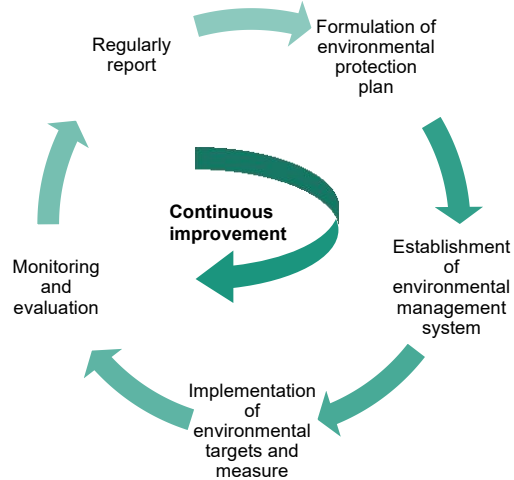
Collecting ESG data and information to implement the Group's ESG related policies and key performance indicators, and prepare the ESG reports for the Board's review.



ESG preparation management process

As a green and ecologically oriented company, Xinyuan Service attaches great importance to the implementation of ESG policies. Our ESG preparation process includes: 1. formulation of environmental protection plan; 2. establishment of environmental management system; 3. implementation of environmental targets and measures; 4. monitoring and evaluation; and 5. regularly report. At the beginning of 2022, we set a target to reduce energy consumption intensity and water consumption intensity by 5% in 2022 compared to 2021, and exceeded the target through a sound management system. We will continue our efforts and make further endeavors to achieve sustainable development.

ESG preparation process



ESG target management

To ensure the smooth implementation of ESG targets within the Group, the board of directors regularly reviews the Company's ESG reports, evaluates the Company's ESG performance, and makes corresponding recommendations and improvement measures. Meanwhile, the Board of Directors is responsible for monitoring the Company's ESG performance, ensuring that the Company's operations are in line with ESG targets and policies, and taking the necessary measures to correct any deviations. Thanks to the Board's close monitoring of ESG targets, we have successfully achieved the environmental targets set in 2022.

Communication with stakeholders

The Company prioritizes the opinions and expectations of stakeholders, and maintains a close contact with all stakeholders. The Company identifies its key stakeholders and their major needs based on its own business and operating conditions, as well as the experience and practices of the industry. Meanwhile, the Company, by means of various communication channels, makes active response in daily management and operation practice for sustainable development.

Communication with main stakeholders

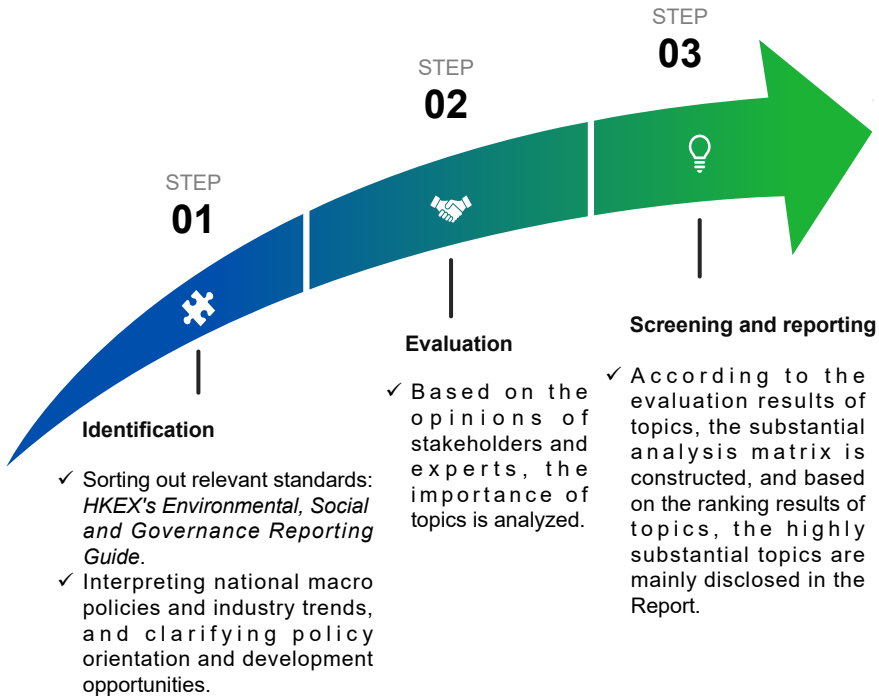
Stakeholders	Interests and concerns	Communication channel
 Customer	<ul style="list-style-type: none"> Customer services quality Customer right protection Information security and privacy 	<ul style="list-style-type: none"> Customer forum 400 service hotline Community activities Online communication tools
 Shareholders and Investors	<ul style="list-style-type: none"> Compliance management Anti-corruption Service technology innovation 	<ul style="list-style-type: none"> Annual report Shareholder meeting Official website
 Government	<ul style="list-style-type: none"> Comply with the laws and regulations Promote regional economic development and employment 	<ul style="list-style-type: none"> Consultations Institutional visits and inspections Information submission
 Employees	<ul style="list-style-type: none"> Career development Employee benefits and welfare Occupational health and safety Fair and equal treatment 	<ul style="list-style-type: none"> Employee conference Corporate event OA systems Employee complaint channel
 Suppliers	<ul style="list-style-type: none"> Integrity cooperation Supplier chain management Proven business ethics and reputations 	<ul style="list-style-type: none"> Supplier inspection and regular evaluations Supplier conferences Project collaboration
 Media	<ul style="list-style-type: none"> Corporate visibility Social benefit 	<ul style="list-style-type: none"> Conferences and forums Interview Press conference
 Society and public	<ul style="list-style-type: none"> Support social welfare activities Protect natural environment Charity and public welfare 	<ul style="list-style-type: none"> Public activities Public platform News



Analysis of material topics

The material analysis serves as an important basis for information disclosure in the Report. In combination with national and industrial policies, considering the Company's strategy and expectations of stakeholders, and with reference to the HKEX's Environmental, Social and Governance Reporting Guide, we analyze and compare the importance of each topic to stakeholder decision making and the importance of each topic to Xinyuan Service's business in conformity with the procedures of identification, evaluation, screening and reporting of substantial topics, screen out highly substantial topics, and get down to disclosure and response in the Report.

Analysis process of material topics



■ High material topics
 ■ Medium material topics
 ■ Low material topics

7.2 Compliance and risk management

Compliance operation

Xinyuan Service strictly complies with the relevant laws and regulations of the PRC, the Listing Rules of HKEX and the Articles of Association of the Company Ordinance, and conducts business according to laws and regulations.



The Company gathers laws and regulations related to environment, occupational health, property services and local norms through the internet and property associations to forms the Xinyuan Service Laws and Regulations List. The Audit and Legal Department of the Company is responsible for conducting compliance evaluation every quarter.

Main laws and regulations followed by the Company

Product liability	<i>Civil Code of the People's Republic of China, Law of the People's Republic of China on Urban Real Estate Administration, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and Property Management Regulations</i>
Environmental protection	<i>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, Law of the People's Republic of China on Noise Pollution Prevention and Control, and Measures for the Administration of Municipal Domestic Waste</i>
Labor protection	<i>Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, and Law of the People's Republic of China on the Protection of Minors</i>
Occupational health and safety	<i>Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, and Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i>
Anti-corruption	<i>Criminal Law of the People's Republic of China, and Anti-money Laundering Law of the People's Republic of China.</i>

Risk management

Risk management is a priority to maintain our business growth and sustainable development. The board of directors is responsible for establishment overall governance system and risk control, and the management is responsible for day-to-day business operations. The board of directors delegates appropriate authority to management. The performance of management's responsibilities is regularly reviewed, and systems are continuously improved to enhance overall risk management capabilities.

Xinyuan Service adopts a four-step approach to risk management, (i) risk identification, (ii) risk assessment, (iii) risk prevention and (iv) risk response. According to the risk prevention checklist formed by various modules, we develop targeted plans to avoid risks, identify opportunities, eliminate sources of hazards, defer risks, and foster the achievement of risk control objectives.

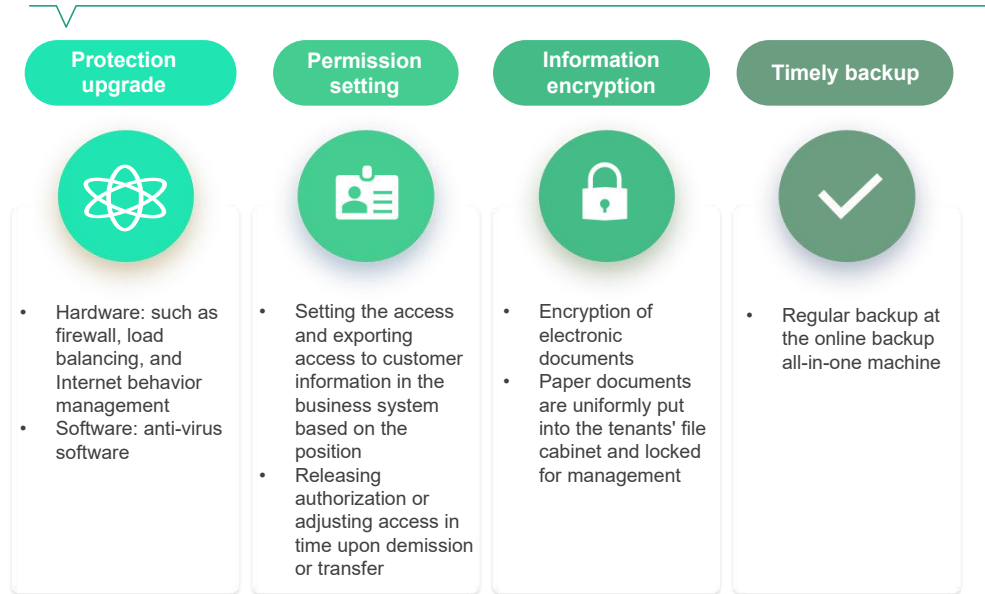
Main operating risks of Xinyuan Service

Category	Content	Counter measures
Project operation risk	Risk of loss caused by the defects of the property itself, the contradiction between developers and owners or owner committees, etc.	<ul style="list-style-type: none"> ✓ Strengthening communication between developers and owners
Public security risk	Personal and property losses of owners or non-owners due to stealing in public areas or burglary, robbery, intentional injury, intentional homicide, etc.	<ul style="list-style-type: none"> ✓ Implementing the registration system for external personnel ✓ Increasing patrols frequency ✓ Strictly supervising the actions of external personnel and handling of alarms ✓ Establishing a plan
Vehicle management risk	Damage to the car, including scraping, and smashing by falling objects.	<ul style="list-style-type: none"> ✓ Buying a car insurance ✓ Signing a parking lot usage agreement ✓ Indicating the parking instructions in the conspicuous place in the parking lot ✓ Strengthening vehicle entry and exit management and routine inspection ✓ Obtaining the legal management right of the parking lot



Category	Content	Counter measures
Fire management risk	Damage to the public interests of the owners caused by fire.	<ul style="list-style-type: none"> ✓ Clarifying management responsibility in fire maintenance contract ✓ Signing a responsibility statement for public security and fire safety with owners ✓ Increasing the inspection frequency of fire-fighting facilities and equipment ✓ Establishing plans, and enhancing personnel training and drills ✓ Reinforcing the supervision of renovation to avoid damage to the waterproof layer ✓ Clarify responsibilities in renovation management service agreements
Public environmental risk	Fall and slip due to the improperly managed public areas and sites.	<ul style="list-style-type: none"> ✓ Placing prompt signs at slippery places ✓ Taking isolation measures and placing obvious signs at the maintenance and renovation sites
Internal risk	Risks caused by internal management and labor disputes, unsafe production, and illegal operation.	<ul style="list-style-type: none"> ✓ Strengthening the construction of enterprise culture ✓ Forming a good promotion and incentive mechanism
Charging risk	Risks arising from the Company's charges.	<ul style="list-style-type: none"> ✓ Establishing an early warning mechanism for property management fee arrears ✓ Enhancing communication with tenants and monitor key tenants

Key measures of information security and privacy protection



Information security and privacy protection

In the property services provided by Xinyuan Service, the personal information of customers, such as their house numbers, telephone numbers, family members and identity documents, will be involved. In strict accordance with the Personal Information Protection Law of the People's Republic of China, and Consumer Protection Law of the People's Republic of China, among other laws and regulations, while developing towards intelligent property, Xinyuan Service attaches great importance to the security and privacy protection of customers' information, and takes possible measures to prevent the information leakage. The Company has formulated Customer Information Confidentiality Mechanism and Operating Guidelines for Customer Information Management, and established a customer information confidentiality mechanism. In 2022, there was no loss of customer data or invasion of customer privacy.

The Company requires new employees to sign a confidentiality agreement when joining the Company, which clearly stipulates that it is forbidden to disclose or leak any customer information, and sets access and passwords for customer information in the property management system. At the same time, the Company conducts online and offline training to enhance employees' awareness of information security and privacy protection.

Responsible marketing

In accordance with the *Advertising Law of the People's Republic of China*, among other laws and regulations, Xinyuan Service has formulated the Brand Publicity System of Xinyuan Property, which standardizes the media publicity standards, ensures the legality, accuracy and authenticity of the information released to the public, and enhances the brand influence.

The Company's brand management department is responsible for reviewing, guiding and revising the media publicity plan to ensure information consistency across various output channels, and to prevent any false, misleading and fraudulent customer behaviors. At the same time, the Company strictly controls the poster content of Xinyuan Service brand promotion and the product quality of "Small Xin Best Choice" platform in each project park, reviews the authenticity and legality of publicity information, and prohibits misleading and fraudulent publicity terms. Within the enterprise, the standard language of corporate WeChat is set to standardize the communication, greetings and reminders between employees and customers to establish the brand image of Xinyuan Service.



7.3 Anti-corruption

In strict accordance with the Criminal Law of the People's Republic of China, and the Anti-money Laundering Law of the People's Republic of China, Xinyuan Service has formulated the Audit Supervision System of Xinyuan Technology Service Group Co., Ltd., and strengthened internal supervision and audit management through institutionalization and standardization.

The Company strictly investigates any form of corruption, bribery, extortion, fraud and money laundering, publicizes its anti-corruption concept, and provides anti-corruption training for employees and managers as a way to strengthen the integrity awareness of employees. In2022, we held totaled 1,256 hours anti-corruption training for 1,307 employees. At the same time, the Company adopts sound internal documents to clarify the audit supervision responsibilities, contents, reward and punishment forms, and constantly improve the reporting system to prevent fraud, thus creating a corruption-free working environment. In 2022, there were no lawsuits related to corruption against the Company or employees.

Open channels for anti-corruption reporting



- Corporate compliance and anti-corruption hotline: 4007175588



- Email address of Audit and Legal Department: haxing.ji@xyre.com



- Telephone of person in charge of Audit and Legal Department: 18339259180

7.4 Intellectual property rights management

Xinyuan Service adheres to the requirements of relevant laws and regulations, such as Copyright Law of the People's Republic of China and Trademark Law of the People's Republic of China, emphasis on intellectual property rights management, and clearly stipulates that the intellectual property rights of others shall not be infringed. In the meantime, intellectual property rights work is integrated into the work of the Legal Department. Various software copyrights and trademarks of the Company will be registered in due course to ensure the protection of intellectual achievements generated in the Company's technology R&D and business innovation.

As of 31 December 2022, Xinyuan Service has completed 11 computer software copyright registrations, including report and repair system, plan management system, project life cycle management system, Xinyuan expense check and payment system, Xinyuan customer research system, Xinyuan community consultation system, Yijiazi APP, budget management system, employee life cycle management system, employee mobile attendance management system, and online learning management system.



Partial Software Copyright Registration Certificates

8. Appendix

8.1 Environmental performance

Note: Environmental performance statistics only include the work of Xinyuan Service headquarter, as well as the work of its branches in various cities. The 2022 intensity calculation based on the number of the employees as of 31 December 2022 whereas the 2021 intensity calculation based on the revenue in 2021. We revised the 2021 data based on an intensity calculation factor consistent with 2022.

Energy utilization

KPI	Unit	2022	2021
Total power consumption	MWh	45,332.95	43,653.52
Gasoline consumption of self-owned vehicles	L	9,500	10,000
Natural gas consumption	M ³	490,000	480,000

Water consumption

KPI	Unit	2022	2021
Total water consumption	M ³	1,050,670.45	993,677.13
Intensity of total water consumption	M ³ / number of employees	680.93	570.10

Air emission

KPI	Unit	2022	2021
Nitrogen Oxides (NOx)	Kg	39.66	45.61
Particulate Matter (PM)	Kg	3.74	4.30
Sulphur Oxides (SOx)	Kg	0.13	0.15
Total Emissions from vehicles (kg)	Kg	43.53	50.06

Greenhouse gas emissions ("GHG emissions")

Total GHG emissions	Unit	2022	2021
Total GHG emissions	tCO ₂ e	26,961.96	25,962.23
GHG emissions in scope 1	tCO ₂ e	1,087.28	1,066.63
GHG emissions in scope 2	tCO ₂ e	25,853.38	24,895.60
Intensity of total GHG emissions	tCO ₂ e / number of employees	0.71	0.61

Notes:

- The greenhouse gas emissions in Scope 1 are mainly caused by the consumption of natural gas, gasoline of self-owned vehicles and electricity generator in 2022. Greenhouse gas emissions are calculated in keeping with automobile fuel consumption data and relevant emission coefficients. For the calculation formula and emission coefficients, please refer to the Guidelines for Reporting Environmental Key Performance Indicators issued by Stock Exchange.
- The greenhouse gas emissions in Scope 2 are mainly caused by the Company's use of outsourced power.
- The data statistic covers Zhengzhou headquarter and various management projects.

Waste discharge

KPI	Unit	2022	2021
Total volume of waste water discharge	M ³	25,212	26,313
Total amount of non-hazardous wastes produced	tonnes	1,952.8	1,901.0
Hazardous wastes produces (toner cartridge)	pcs	450	500
Intensity of total non-hazardous waste	tonnes / number of employees	1.27	1.09

8.2 Social performance

Employment

KPI		Unit	2022	2021
Total employees		Person	1,543	1,741
By gender	Male	Person	789	920
	Female	Person	754	821
By category	Senior management	Person	67	75
	Middle management	Person	174	194
	Frontline and other employees	Person	1302	1,472
By nature	Labor contract system	Person	1,543	1,741
	Labor dispatch system	Person	-	-
	Part time	Person	-	-
By age group	Below 30	Person	251	612
	30 – 50	Person	1065	1,070
	Above 50	Person	227	59
By region	Mainland	Person	1,543	1,741
	HK, Macao, Taiwan and overseas	Person	-	-

Note: The total number of employees only includes employees under the labor contract system at Xinyuan Service headquarter and employees in each city branches. If the statistics differ from the ESG report in 2021, the performance of the current year shall prevail.

Training and development

Total employees		Unit	2022	2021
Total employees trained		Person	1,543	1,741
By gender	Male	%	51%	53%
	Female	%	49%	47%
By category	Senior management	%	4%	4%
	Middle management	%	11%	11%
	Frontline and other employees	%	85%	85%
Average training hours completed per employee		Unit	2022	2021
Total training hours		Hour	148,157	143,218
By gender	Male	Hour	78,595	72,366
	Female	Hour	69,562	70,852
By category	Senior management	Hour	4,870	4,670
	Middle management	Hour	14,984	14,640
	Frontline and other employees	Hour	128,303	123,908



Supply Chain

KPI	Unit	2022	2021
Total of suppliers	Number	280	431
Mainland China	Number	271	420
By region			
Hong Kong, Macau, Taiwan, and Overseas	Number	9	11
Number of suppliers performed in terms of environment, labour, ethics, etc	Number	268	431
Number of suppliers evaluated in terms of environment, labour, ethics, etc	Number	264	424
Proportion of suppliers evaluated in terms of environment, labour, ethics, etc.	%	100%	100%
Proportion of suppliers qualified upon evaluation in terms of environment, labour, ethics, etc.	%	99%	98%

Note: The significant decrease in the number of suppliers is mainly due to the Company terminated some outsourced projects in 2022.

8.3 Index table to Stock Exchange

Part B: Mandatory disclosure requirements	
Mandatory disclosure items	Disclosure chapter
Governance structure	7. True "XIN" sincerity
Reporting principles	About this report
Reporting scope	About this report

Part C: "Comply or Explain"	
Level, general disclosure and KPIs	Disclosure chapter
Main category A. Environment	
A1. Emissions	
General disclosure A1	5.4 Emission management
KPI A1.1	5.4 Emission management 8.1 Environmental performance
KPI A1.2	8.1 Environmental performance
KPI A1.3	8.1 Environmental performance
KPI A1.4	8.1 Environmental performance
KPI A1.5	8.1 Environmental performance
KPI A1.6	5.4 Emission management 8.1 Environmental performance
A2. Use of resources	
General disclosure A2	5.2 Energy management 5.3 Water resources management
KPI A2.1	5.2 Energy management
KPI A2.2	8.1 Environmental performance
KPI A2.3	5.2 Energy management
KPI A2.4	5.3 Water resources management
KPI A2.5	The Company is a property management service enterprise, so this indicator is not applicable.



Part C: "Comply or Explain"	
Level, general disclosure and KPIs	Disclosure chapter
Main category A. Environment	
A3. Environment and natural resources	
General disclosure A3	5.1 Environmental management
KPI A3.1	5.1 Environmental management
A4. Climate change	
General disclosure A4	5.2 Energy management
KPI A4.1	4.1 Building a better future with customers 5.2 Energy management
Main category B. Society	
Employment and labour practice	
B1. Employment	
General disclosure B1	4.2 Growing together with employees
KPI B1.1	8.2 Social performance
KPI B1.2	8.2 Social performance
B2. Health and safety	
General disclosure B2	4.2 Growing together with employees
KPI B2.1	8.2 Social performance
KPI B2.2	8.2 Social performance
KPI B2.3	4.2 Growing together with employees
B3. Development and training	
General disclosure B3	4.2 Growing together with employees
KPI B3.1	8.2 Social performance
KPI B3.2	8.2 Social performance
B4. Labour standards	
General disclosure B4	4.2 Growing together with employees
KPI B4.1	4.2 Growing together with employees
KPI B4.2	4.2 Growing together with employees

Part C: "Comply or Explain"	
Level, general disclosure and KPIs	Disclosure chapter
Main category B. Society	
B5. Supply chain management	
General disclosure B5	4.3 Win-win cooperation with suppliers
KPI B5.1	8.2 Social performance
KPI B5.2	4.3 Win-win cooperation with suppliers
KPI B5.3	4.3 Win-win cooperation with suppliers
KPI B5.4	4.3 Win-win cooperation with suppliers
B6. Product responsibility	
General disclosure B6	4.1 Building a better future with customers
KPI B6.1	The Company is a property management service enterprise, so this indicator is not applicable.
KPI B6.2	4.1 Building a better future with customers
KPI B6.3	7.4 Intellectual property rights management
KPI B6.4	The Company is a property management service enterprise, so this indicator is not applicable.
KPI B6.5	4.1 Building a better future with customers
B7. Anti-corruption	
General disclosure B7	7.3 Anti-corruption
KPI B7.1	7.3 Anti-corruption
KPI B7.2	7.3 Anti-corruption
KPI B7.3	7.3 Anti-corruption
B8. Community investment	
General disclosure B8	6. Always keep the first "XIN"
KPI B8.1	6. Always keep the first "XIN"
KPI B8.2	6. Always keep the first "XIN"
KPI B8.3	6. Always keep the first "XIN"