

# 2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

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

STOCK CODE 股份代號：01516.HK



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# ABOUT THE REPORT

Sunac Services Holdings Limited (the "Company", "Sunac Services" or "we", together with its subsidiaries, the "Group"), based on the identification of key stakeholders and the relevant environmental, social and governance ("ESG") issues they concern, has prepared and published this ESG report for 2023, for the purpose of disclosing the management status and performance of the Group in the ESG aspects during 2023.

## REPORTING STANDARDS

This report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "ESG Guide") set out in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), by reference to the Sustainability Reporting Standards ("GRI Standards") issued by the Global Reporting Initiatives and the United Nations Sustainable Development Goals (the "UN SDGs"). The Group has also disclosed relevant information in this report in accordance with mandatory disclosure requirements and "comply or explain" provisions under the ESG Guide.

## REPORTING PRINCIPLES

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

### 1 "Materiality":

We prioritised the ESG issues of concern to our stakeholders and responded to them in this report according to their level of importance, as described in the section headed "Stakeholder Communication and Assessment of Materiality Issues" of this report.

### 2 "Quantitative":

The Group's environmental and social KPIs are presented in quantitative terms to facilitate the assessment and validation of the KPIs in this report. In addition, the quantitative criteria, methods, assumptions and/or calculation tools for the KPIs, and the sources of conversion coefficients used, are described in the appropriate places.

### 3 "Consistency":

We have adopted a consistent approach to statistical disclosure as in previous years, and where there are changes, these have been noted where appropriate so that the information in this report can be meaningfully compared in the future.

### 4 "Balance":

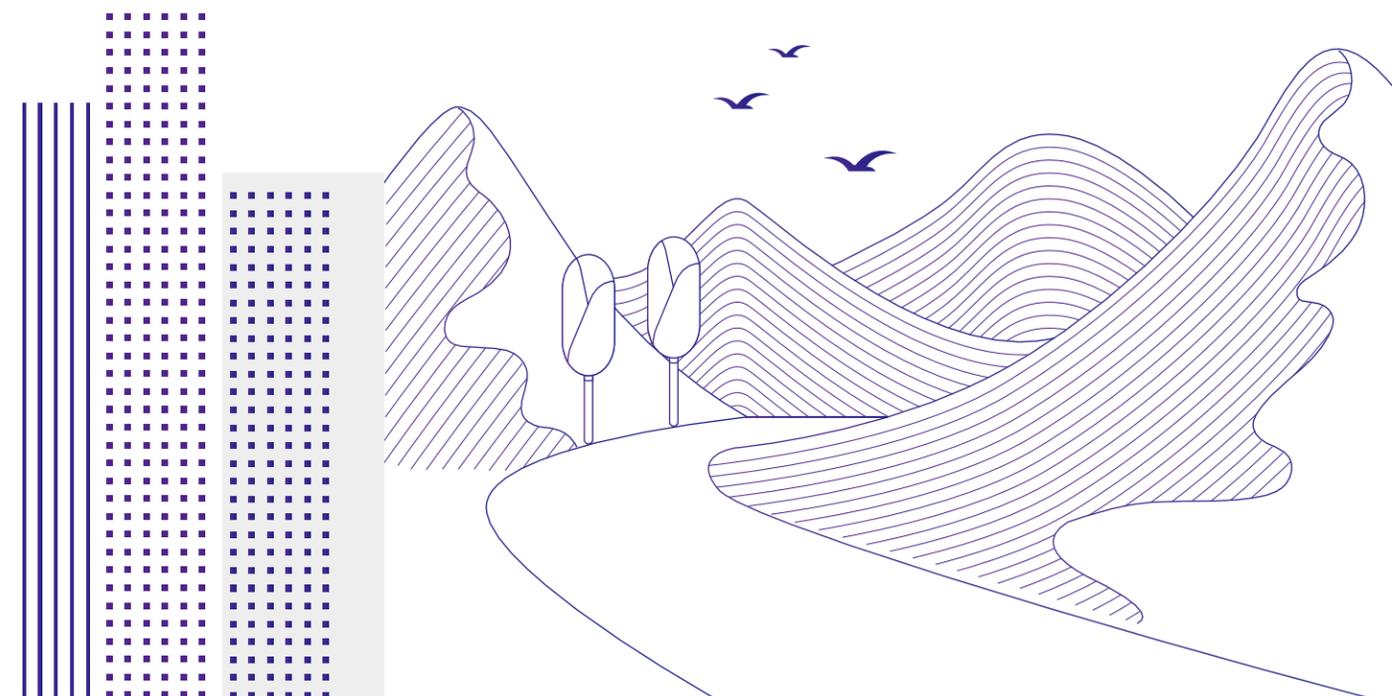
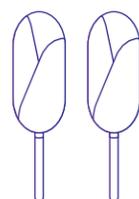
This report provides an objective, fair and balanced view of the Group's ESG performance.

## SCOPE OF THE REPORT

The scope of this report covers the year 2023 (from 1 January 2023 to 31 December 2023) (the "Reporting Period"). The disclosure scope of this report covers the headquarters of the Group, all regional and city platform companies and their projects under management, which are entities mainly engaged in property management and operational services, community living services and value-added services to non-property owners.

## HOW TO OBTAIN THIS REPORT AND FEEDBACK

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



# ABOUT THE COMPANY

## COMPANY PROFILE

The Group was established in 2004 and was listed on the Main Board of the Stock Exchange in November 2020 (Stock Code: 1516.HK). The Group serves as an executive director of the China Property Management Institute and has received numerous accolades, including being ranked as Top 5 among the Top 100 Property Service Companies, Top 3 among the Top 100 Leading Companies in Property Service Satisfaction, as well as Top 2 in both the Leading Enterprises in China for Property Technology Empowerment and Leading Brands in China for Property Service Quality.

Since its establishment, the Group has focused on mid-to-high-end properties in core cities, adhered to the strategy of high quality development, and developed two main business segments of property management and comprehensive commercial operational services. These services encompass various domains such as residential properties, commercial properties, urban services, sale centers, hospitals, schools, and industrial parks, owing to which, the Group has established its leading position in the industry gradually.

In pursuit of its service philosophy of "commitment to excellence and beauty" (至善·致美), the Group offers a full range of high-quality property services to its customers. By catering to the holistic service needs of high net worth individuals, the Group has revolutionised the existing property service paradigm. The Group has introduced bespoke high-end services that amalgamate excellent fundamental services, personalised private services, and premium spiritual development. This tailored approach interconnects users, communities, and cities through superior services, with a commitment to becoming the "Best Quality Service Provider in China".

### History of development:



## HONORS AWARDED

The Group continues to innovate service content and models and expand the scope of service under a service-oriented approach. The high quality service enables it to be highly recognised by the market and customers with a numbers of honors awarded.

In 2023, the Group received a total of around 300 awards from industry organizations, local governments, housing and construction authorities at various levels, housing and property associations at various levels and mainstream media, etc.

Some of the awards are as follows:

Awards	Issued by
<b>Services</b>	
Top 1 of 2023 China Leading Enterprises in terms of High-end Property Management Services	China Index Academy
Top 3 of 2023 Leading Enterprise in terms of Property Management Service Satisfaction	China Index Academy
Top 5 of 2023 Top 100 China's Companies in terms of Property Management Service Capabilities	CRIC Property Management
Top 3 of 2023 High-end Property Service Companies in China	CRIC Property Management
Top 3 of 2023 Leading Enterprise in terms of Property Management Service Satisfaction	CRIC Property Management
Top 4 of 2023 Top 100 China Quality Property Service Enterprises	China Property Management Think Tank
Top 1 of 2023 China Residential Property Service Companies	China Property Management Think Tank
2023 China Property Management Service Model Companies in terms of Customer Satisfaction	EH Property Management Service Research Institute
First Prize of Asian Games Venue Construction Competition (Center Gymnasium and Natatorium in Hangzhou Olympic Sports )	Asian Games Venue Construction Competition Leading Group
<b>Comprehensive</b>	
Top 5 of 2023 China Property Management Companies interms of Comprehensive Strength	EH Property Management Service Research Institute
Top 6 of 2023 China Listed Property Management Companies	EH Property Management Service Research Institute
Top 10 of 2023 China Listed Property Enterprises with the Most Developmental Characteristics	EH Property Management Service Research Institute
Top 7 of 2023 China Listed Property Management Companies	CRIC Property Management
Top 8 of 2023 China Property Service Enterprises in terms of Comprehensive Strength	CRIC Property Management
2023 Model Enterprises for High-Quality Property Development	Leju Finance and Economics
Top 7 of 2023 Top 100 China Property Management Companies	China Index Academy
Top 5 of 2023 Excellent Property Service Company	Guandian Index Academy



Awards	Issued by
<b>Brand</b>	
Top 4 of 2023 Property Service Enterprises with Excellent Performance in Brand Value	Guandian Index Academy
2023 China Property Service Enterprises with Featured Brand: Preferred Brands for Quality Service in China	CRIC Property Management
Top 5 of 2023 China's Top 100 Property Enterprises with Influential Brand	China Property Management Think Tank
2023 China's Listed Property Enterprises with Innovation - Community Culture	China Property Management Think Tank
2023 China's Property Enterprises with Leading Brand Value	EH Property Management Service Research Institute
<b>Governance</b>	
Top 1 of 2023 China's Independent Listed Property Enterprise	China Property Management Think Tank
Top 2 of 2023 China Leading Property Management Companies with Market-oriented Operations	China Index Academy
Top 5 of 2023 Outstanding Property Management Companies in terms of Management Capabilities	Guandian Index Academy
<b>Technology</b>	
Top 3 of 2023 China Property Management Companies in terms of Data Power	CRIC Property Management
Top 6 of 2023 Property Services Companies for Excellent Digital Development	Guandian Index Academy
<b>Environmental, Social and Governance</b>	
A from EH ESG Rating	EH Property Management Service Research Institute
Top 1 of 2023 China Listed Property Management Company with Leading ESG Sustainability	CRIC Property Management
Top 2 of 2023 Property Management Companies with Outstanding ESG Development	China Index Academy
2023 Best ESG Practices for Listed Property Enterprises in China	China Property Management Think Tank
Top 3 of 2023 Leading Property Enterprises in Social Responsibility Contribution in China	China Property Management Think Tank

## CERTIFICATES OBTAINED



			
ISO 14001:2015 Certification on Environmental Management System	ISO 50001:2018 Certification on Energy Management System	GB/T 19095-2019 "Eight-star" for Service Capability of Domestic Waste Sorting	
			
ISO 9001:2015 Certification on Quality Management System	GB/T 20647.9-2006 "Five-star" Property Services	GB/T 27922-2011 "Five-star" After-Sales Service for Commodities	
			
ISO 45001:2018 Certification on Occupational Health and Safety Management System	SA 8000:2014 Certification on Social Accountability Management System	ISO/IEC 20000-1:2008 Certification on Information Technology Service Management System	ISO/IEC 27001:2013 Information Security Management System Certification
			
ISO 37001:2016 Certification on International Anti-Bribery Management System	GB/T 31950-2015 Enterprise Integrity Management System	GB/T 23794-2015 "AAA" in Enterprise Rating	GB/T 27925-2011 "Five-star Brand" for Commercial Enterprises

## ESG MANAGEMENT

### THE BOARD'S STATEMENT

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

#### The Board:

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

#### ESG Committee:

The ESG Committee is responsible for formulating the Group's ESG and climate-related management objectives, strategies, policies, and implementation path; oversees, supervises, and evaluates the execution of relevant work to ensure compliance with ESG policies; reviews the Group's external disclosures of ESG and climate-related information, including the annual ESG report and externally disclosed ESG-related policies; reports to the Board and provides recommendations for enhancements.

#### ESG Working Group:

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



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

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

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

## ESG PHILOSOPHY

Section hereof	Key actions and performance in 2023	The United Nations Sustainable Development Goals
STANDARD GOVERNANCE AND COMPLIANT OPERATIONS	<ul style="list-style-type: none"> <li>Emphasizing compliance operations and risk management, we actively promoted the independence and diversity of the Board of Directors. We strove to balance the experience and skills of Board members, achieving a 38% representation of female directors.</li> <li>Continuously deepening integrity initiatives, we vigorously conducted integrity training for all employees, directors, and suppliers. Our cumulative total of integrity training hours near 100,000, marking a 156% increase in training hours per person compared to the previous year. The integrity agreement signing rate for both employees and suppliers stood at 100%.</li> </ul>	 
COMMITMENT TO EXCELLENCE AND BEAUTY AND QUALITY SERVICES	<ul style="list-style-type: none"> <li>With a dedicated focus on customers, we persistently enhanced our service quality, maintaining one of the highest overall customer satisfaction rates in the industry.</li> <li>We emphasize communication with customers, expand communication channels, establish various complaint channels, and achieve a 100% response rate for customer complaints.</li> <li>We comprehensively upgraded security management measures and concentrated on ensuring customer information and privacy protection.</li> <li>We have strengthened the management of our suppliers by continuously standardizing the management requirements for the admission, evaluation, penalty and elimination of suppliers, and paying attention to their environmental and social performance.</li> </ul>	    
ENVIRONMENTAL PROTECTION AND GREEN OPERATION	<ul style="list-style-type: none"> <li>Actively advocating the concept of green operations, we implemented various actions to achieve environmental objectives, emphasizing biodiversity protection and climate change mitigation.</li> <li>In 2023, we targeted a decrease in hazardous waste and non-hazardous waste density year-on-year.</li> </ul>	   
PUTTING PEOPLE FIRST, CO-COMMITMENT AND CO-ACHIEVEMENT	<ul style="list-style-type: none"> <li>Valuing and resolutely protecting the legitimate rights and interests of employees, we strove to cultivate a fair, secure, and mentally healthy workplace environment.</li> <li>We focused on promoting the diversified development of employees and provided open communication channels to support their growth.</li> <li>In 2023, the Company planned to organize over 20,000 employee activities and conducted more than 1,700 employee training sessions.</li> </ul>	     
HARMONIOUS COMMUNITY AND WARM SOCIETY	<ul style="list-style-type: none"> <li>We built civilized and harmonious neighborhood and friendly community environment through community conventions, activities, and other means.</li> <li>We engaged in community public welfare services that benefit property owners. In 2023, the "Rongyou Future" program carried out 55 activities, influencing 41,000 people in the entire community;</li> <li>We called on a wider range of owners to participate in public welfare co-construction. In 2023, the "Sunac Spring Buds" program raised RMB 37,260 within four months of its launch, and provided one-to-one support to 19 girls in difficult circumstances.</li> </ul>	   

## STAKEHOLDER COMMUNICATION

### IDENTIFYING AND COMMUNICATIONS WITH STAKEHOLDERS

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

Category of stakeholders	Expectations and demands	Major communication channels
 Shareholders and investors	<ul style="list-style-type: none"> <li>Financial results and profitability</li> <li>Investor return</li> <li>Interest protection</li> <li>Information transparency</li> <li>Pay attention to climate change risk</li> <li>Compliance operations</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Results release</li> <li>Information disclosure</li> <li>General meetings</li> <li>Investor forums</li> <li>Investor hotline &amp; email</li> </ul>
 Customers / property owners	<ul style="list-style-type: none"> <li>Quality products and services</li> <li>Maintenance of customer relation</li> <li>Customer privacy protection</li> <li>Customer Information Security and Privacy Protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer service center</li> <li>WeChat official account</li> <li>Sunac Livable Community App/mini program</li> <li>Customer satisfaction survey</li> <li>Customer complaint hotline</li> <li>Community</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Labor interests</li> <li>Occupational health and safety</li> <li>Remuneration and benefits</li> <li>Employee development</li> <li>Staff caring</li> </ul>	<ul style="list-style-type: none"> <li>Working Conference</li> <li>Internal and external training activities</li> <li>Employees care activities</li> <li>Employees satisfaction survey</li> <li>Internal Communication</li> <li>Corporate Culture Promotion</li> </ul>
 Suppliers and partners	<ul style="list-style-type: none"> <li>Promote business development</li> <li>Cooperate for win-win achievement</li> <li>Fair competition</li> <li>Supply Chain Management</li> <li>Supply Chain Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Daily tendering</li> <li>Procurement communication</li> <li>Cooperation negotiations</li> <li>Supplier Audit and Evaluation</li> <li>Supplier Enablement and Collaboration</li> <li>Communication and interaction</li> <li>Business meetings</li> </ul>
 Government and regulators	<ul style="list-style-type: none"> <li>Compliance operation</li> <li>Tax payment by laws</li> <li>Respond to policies</li> </ul>	<ul style="list-style-type: none"> <li>Policy and guideline</li> <li>Daily communication</li> <li>Working Conference</li> <li>Information disclosure</li> <li>Accept supervision</li> </ul>
 Public welfare organisations and the public	<ul style="list-style-type: none"> <li>Contribute to rural revitalization</li> <li>Develop community benefits</li> <li>Support charity activities</li> <li>Protect biological environment</li> </ul>	<ul style="list-style-type: none"> <li>Marketing and promotion activities</li> <li>Community welfare and volunteering service</li> <li>Rongyou Future Project</li> <li>Campaign to disseminate green idea</li> </ul>

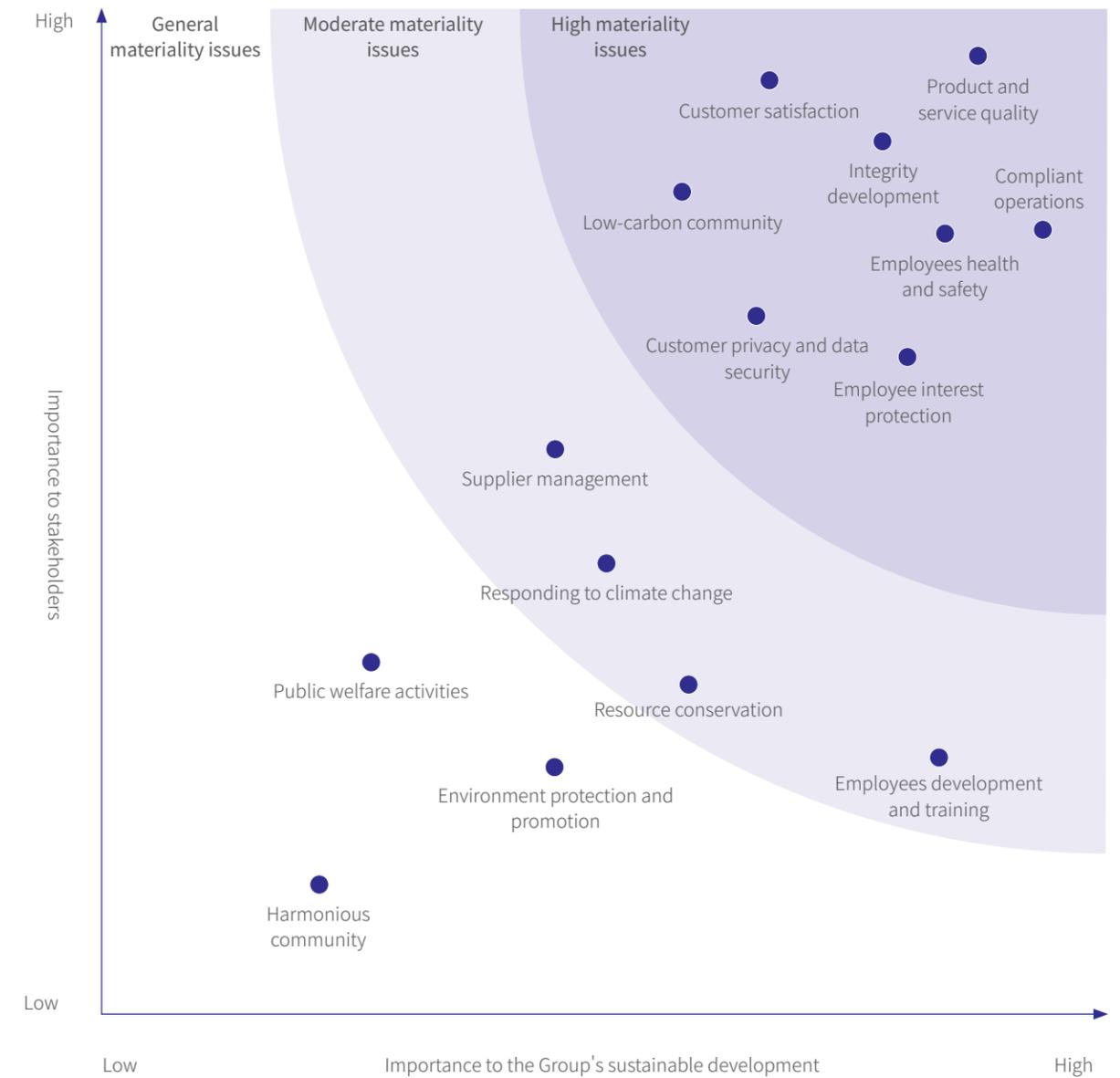
## MATERIALITY ISSUE ASSESSMENT

The Group recognizes the substantial influence of stakeholder feedback and recommendations on its development. In 2023, the Group systematically organized and modified the material issues following the "Identify-Evaluate-Confirm" framework, and developed the 2023 materiality matrix. The sequential stages of materiality assessment are delineated as follows:

<b>Identify</b>	Based on the ESG Guides, GRI Standards, and the specific requirements and recommendations of the UN SDGs, the Group conducted a thorough review and analysis of the Company's material ESG issues and stakeholder concerns. This assessment was grounded in national policies and industry trends in ESG disclosure. By aligning with the Group's operational context, benchmarking against domestic and international counterparts, and monitoring media sources, the Company identified 15 material ESG issues.
<b>Evaluate</b>	These issues were evaluated based on the results of previous stakeholder surveys and aligned with the ESG rating criteria essential for the capital market's evaluation.
<b>Confirm</b>	The identified material issues were further ranked based on their importance to the Group's sustainable growth and their importance to stakeholders. Subsequently, an ESG materiality matrix for 2023 was formulated, emphasizing the disclosure of material issues within the report.

Materiality	Issues	Ranking
High materiality	Product and service quality	1
	Customer satisfaction	2
	Compliant operations	3
	Employees health and safety	4
	Integrity development	5
	Low-carbon community	6
	Customer privacy and data security	7
	Employees interest protection	8
Moderate materiality	Responding to climate change	9
	Employees development and training	10
	Supplier management	11
	Resource conservation	12
General materiality	Environment protection and promotion	13
	Public welfare activities	14
	Harmonious community	15

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





# STANDARD GOVERNANCE AND COMPLIANT OPERATIONS

- CORPORATE GOVERNANCE
- INFORMATION DISCLOSURE AND INVESTOR RELATIONS
- RISK MANAGEMENT AND INTERNAL CONTROL
- INTEGRITY OPERATION
- INTELLECTUAL PROPERTY PROTECTION
- PUBLICITY AND ADVERTISING MANAGEMENT





## CORPORATE GOVERNANCE

6 sessions

Board meetings

7 sessions

Board Committees meetings

38%

The percentage of female Directors

The Company attaches importance to the importance of good corporate governance and the benefits it brings. The Company strictly complies with laws and regulations and the relevant provisions of the Listing Rules and actively enhances its corporate governance and corporate management to facilitate its compliance, sound and quality development.

The Board is responsible for fulfilling its corporate governance responsibilities and assumes the responsibility for leading and monitoring the Company, overseeing and approving the Company's strategic development objectives, major decisions in its operations and financial performance. The Board has also established a number of Board Committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee, all of which perform their specific duties in accordance with their respective terms of reference.

The Company values its policy of diversity within the Board and takes a diverse perspective when considering the nomination and appointment of Directors, including but not limited to the candidates' skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contribution they are expected to bring to the Board, in order to better suit the needs and development of the Company. Currently, the Board comprises eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors, and including three female Directors. Each of the Directors possesses a wide range of skills, knowledge, professional experience and qualifications and has sufficient diversity to meet the Company's corporate governance and business development needs.

The Board has established mechanisms, mainly including:

- (i) All Directors are encouraged to freely express their independent views and offer constructive inquiries at Board/Committee meetings;
- (ii) External independent professional advice is available to individual Directors upon request; and
- (iii) The Chairman of the Board meets with the independent non-executive Directors annually in the absence of the executive Directors and non-executive Directors. These measures ensure that the independent perspectives and opinions of each Director are relayed to the Board to bolster the objectivity and effectiveness of decision-making processes.



## INFORMATION DISCLOSURE AND INVESTOR RELATIONS

300+

Investor institutions

100+

Investor meetings

1

General meeting

The Company attaches importance to regulated information disclosure and good communication with investors.

The Company discloses information in a timely, accurate, truthful, complete and fair manner in accordance with the Listing Rules and other applicable laws and regulations to enable shareholders, investors and the public to be fully updated with the material matters relating to the Company's operation and development and thus to make informed decisions.

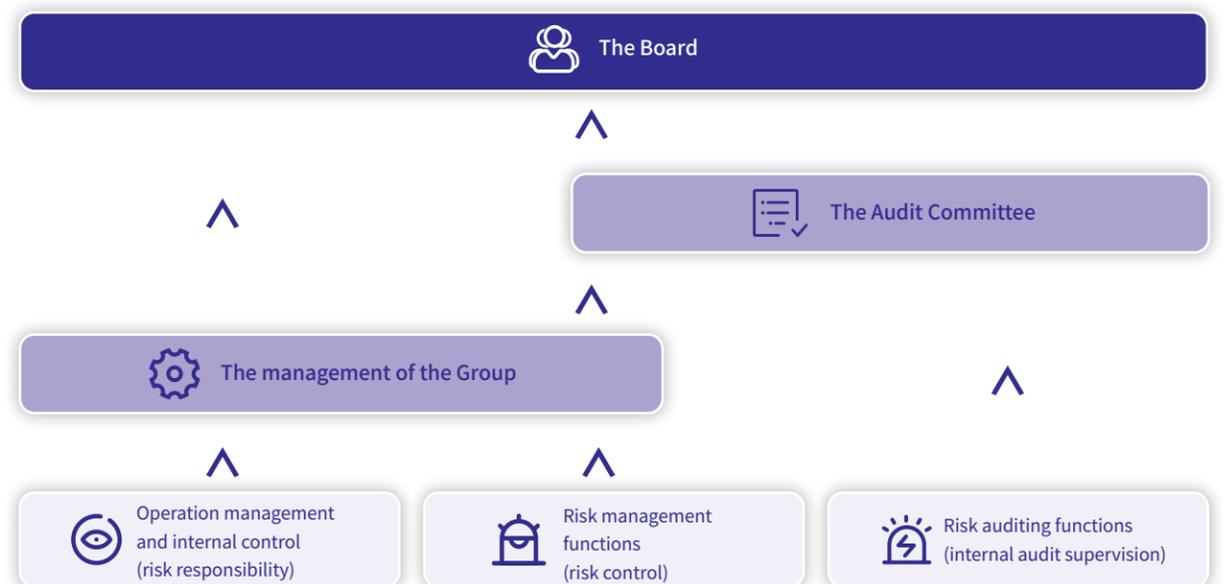
The Company has established various communication channels to ensure good interactive communication with investors through various means such as telephone calls, emails, results presentations and securities company exchange summits to enhance investors' understanding of the Company and to convey the information relating to its operation.



## RISK MANAGEMENT AND INTERNAL CONTROL

The Group has established a risk management system with clear authority and responsibilities and well-developed functions. It integrates industry standards with the Company's practices and conducts efficient and independent internal controls on an ongoing basis to optimise the governance environment and improve management standards. Led by the Board, the management is responsible for assisting the Board in identifying and assessing the specific risk elements of the respective business systems, implementing the Company's policies and procedures, and participating in the design and operation of internal controls that meet the Company's management requirements to provide reliable assurance for the Company's business operation.

The risk management structure of the Company is as follows:



## INTERNAL CONTROL

This year

100%

Audit work covered business modules and regions

271

Whistle-blowing investigations and specialised audits

The audit and supervision department of the Group is appointed by the Board and the Audit Committee to complete various audits throughout the year and make recommendations for improvements to the effectiveness of the Group's risk management and internal control system, and make regular thematic reports to the Board and the Audit Committee each half year.

Based on the business development of the Group, the audit and supervision department conducts audits and supervises the major business sectors during the operation and management through regular audits, special audits and investigation audits of matters reported, etc. It urges the business units to rectify the various risk issues identified during the audits and follows up on the rectification progress and measures to ensure that the various risk issues are effectively controlled, and organises training for the business units of the Group on a regular basis to share internal control experience and risk information to enhance the risk management level of the Group.

The Group has established whistleblowing procedures and reporting channels for employees and other interested parties to raise concerns with the audit and supervision department for any possible improper issues within the Group. The Group has also established a stringent system for monitoring whistleblowing information to safeguard the independence and confidentiality of internal audit work.

## RISK MANAGEMENT PROCEDURE

The Group identifies, evaluates and addresses major business risks in accordance with the Group's internal audit system. The audit and supervision department sets risk assessment criteria for the Company, evaluates major risks that may affect the achievement of business objectives, and determines the scope and content of internal audits based on the importance level of the risks. The business units also assess existing controls and management practices and formulate treatment plans for potential risks in operation and management.

## IDENTIFICATION AND ASSESSMENT OF RISKS

The Group actively identifies the potential major business risks or contingencies and formulates contingency plans to minimise potential losses and ensure continuity of business operations. The Group has established the *Risk Event Classification and Notification Management Measures of Sunac Services*, which clearly defines the escalation management measures and escalation notification mechanism covering 9 major sections, 13 categories and three risk levels in four professional lines, and covering nine major scenarios and 39 risk scenarios with risk categories comprising safety management, equipment and facilities, environmental management, customer services, occupational safety, natural disasters, brand risks, administration and management and team management. It also contains the management criteria and disposal procedure covering the entire process and aspects in relation to personnel, operations, equipment, emergency response, natural disasters, emergency disposal, brand impact, customer assets and service assessment.

In 2023, the Group updated, reviewed and supplemented its safety management system in light of its business development stage. Concerning fire risk management, the Group has established a comprehensive fire safety professional inspection and standards to assess the likelihood and severity of fire safety risks through menu-based inspections of fire safety equipment and facilities, emergency supplies, staff training, emergency management and clarification of responsibilities. Additionally, the Group has implemented a hierarchical fire risk management approach, and incorporated major fire risks into the full process of dynamic online control. This facilitated closed-loop full process management of the risk cycle, resulting in the successful elimination of 247 Class I fire risks, with the elimination rate in 2023 rising by 17% compared to the previous year, effectively reducing the likelihood of fire risk incidents.

This year

247

Successful elimination of Class I fire risks

17%

Year-on-year improvement in risk elimination rate



## INTEGRITY OPERATION

The Group is committed to the development of an integrity culture, and strictly abides by national and local policies, laws and regulations on anti-corruption, integrity and business ethics, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Interim Provisions on Banning Commercial Bribery*, striving to create clean and honest atmosphere with employees and suppliers. The Audit Committee is responsible for overseeing the development of business ethics and compliance.

## INTEGRITY TRAININGS AND PROMOTION

As a part of the risk management, the Group organised more than 90 integrity training throughout 2023 with around 100,000 hours of training in total, an increase of 156% in average training hours compared to last year, which achieved engagement and coverage of all employees. The Group has organised all employees to take the integrity compliance examination to achieve full participation and coverage, and to continuously develop and improve employees' awareness of integrity. In the meantime, the Group offered compliance trainings for different business lines, which were tailored according to the practical operation of each business scenario and the management requirement, and set special examinations. Only employees passing the examinations can continue to work on their posts. The Group also provided anti-corruption and integrity operation trainings to all Directors.

This year

Integrity training

90+ sessions

The total cumulative training hours of the participants were nearly

100,000 hours

Average training hours compared to last year increased

156%



Integrity training

### WHISTLE-BLOWING OF CORRUPTION PRACTICES

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

### STAFF'S INTEGRITY BUILDING

The Group has obtained the certification of ISO 37001 International Anti-Bribery Management System, and has prepared the *Employee Integrity Agreement*, which specifies the code of conduct for employees, urges them to abide by business ethics, and prevents them from giving or requesting improper business benefits, improper use and misappropriation of the Group's property. All employees of the Group are required to sign the Employee Integrity Agreements. Through regular audits, special audits, off-office audits and investigations of matters reported, the Group reviews and inspects employees' compliance with the Group's rules and regulations to effectively monitor and restrict operation and management activities and ensure the healthy development of the Company. In 2023, the Group received the outcome of two corruption litigation cases (which were transferred from previous years) that was legally referred by us to the public security authorities, in which an employee was sentenced to a fixed term of imprisonment for the offence of misappropriation of duties and an employee sentenced to a fixed term of imprisonment for misappropriation of funds. The employee involved in the case has been dismissed and the embezzled funds have been recovered without any significant impact on the Company's business operation.

The Group strictly implemented the *Code of Conduct for the Commercial Activities of Employees* issued publicly. The code of conduct applies to employees who have joined and served in the Group and those who have established labour dispatch relationships with the Group.

### SUPPLIERS' INTEGRITY BUILDING

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

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

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



## INTELLECTUAL PROPERTY PROTECTION

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

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



## PUBLICITY AND ADVERTISING MANAGEMENT

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





# COMMITMENT TO EXCELLENCE AND BEAUTY AND QUALITY SERVICES

- PRODUCT QUALITY
- CUSTOMER COMMUNICATION
- SAFETY MANAGEMENT
- CUSTOMER PRIVACY PROTECTION
- SUPPLIER MANAGEMENT



# PRODUCT QUALITY

The Group has always been customer-centric and adhered to the essence of services. It takes services as the foundation and relies on fine management to provide customers with comprehensive and high quality service.

## RESIDENTIAL SERVICES

The Group has created a residential service system known as "Heartfelt Everyday Life Service (歸心全生活服務)", which focuses on improving our customers' experience through optimizing service details, implementing service scenarios and improving service quality from five perspectives, i.e. "Comfortable Home (悅居)", "Delightful Enjoyment (悅享)", "Friendly Neighborhood (悅鄰)", "Physical Health (悅身)" and "Peaceful Mind (悅心)", aiming to create an enjoyable community experience of "Pleasant Home, Enjoyable Life and Companionship" for our customers, and has established a "smart community (智慧社區)" through technologies.

### "Comfortable" Home: The "Joy" of Living Comfortably

We strive to build a more comfortable, safer and more convenient environment for our property owners to live in, to provide quality services that are technically convenient and heart-warming, so as to bring them an experience that exceeds their expectations.



### "Delightful" Enjoyment: The "Joy" of Living in Convenience

Through the integration of our opulent resources, we provide housekeeping services, community commercial services, home decoration services and property brokerage services. We strive to meet the diverse and personalised expectations of our property owners, with services provided on demand to give them a feeling that home living is so convenient and worry-free.



### "Friendly" Neighborhood: The "Pleasure" of Community Civilization

We jointly build safe, harmonious and environment-friendly demonstration communities, negotiate community conventions with property owners, help them establish trusting and friendly relationships, and foster a civilised and harmonious atmosphere together with the street authority, fire safety and environmental protection units.



### Physical Health "Pleasure": the "Joy" of Physical Health

We organise various sports events such as the "National Property Owners Basketball Tournament" for our property owners with the aim of fostering a healthy lifestyle that is full of vitality together with them. We periodically invite experts from hospitals to our communities to provide our property owners with free diagnosis services, with the aim of fostering a healthy atmosphere where young people look vibrant and energetic, and the elderly and children feel safe and relaxed.



### "Peaceful" Mind: The "Pleasure" of Spiritual Nourishment

We organise the SUN-DAY Super Experience Day activities for them to experience the comprehensive and high standard Sunac services; we upgrade the "i Sunny" community with various interest groups consisting of the elderly, youth and children; we launched the Owners' Spring Festival Gala, providing a stage for owners to display their talents and communicate with each other. We aim to create a joyful spiritual home for them.



In 2023, the Group continued to optimise its service standards through various initiatives and comprehensively conducted employee upskilling to provide high-quality services to its customers.



"Visualization Handbook": Defining Service Standards



"Lawn Rehabilitation Program": Enhancing Customer Perception



"Guidelines on Service Standards for Home-based Services": Standardizing Service Standards



"Customer Service Etiquette Training": Standardizing Service Etiquette



"Critical Moment MOT Training": Enhancing Service Awareness



"Skills Competition": Refinement of Professional Competence

In 2023, the Group provided high quality services to customers and received extensive positive feedback from them:



3,451

Banners of appreciation



8,032

Phone calls for praise



1,580

Thank-you letters



150,000

Red flowers

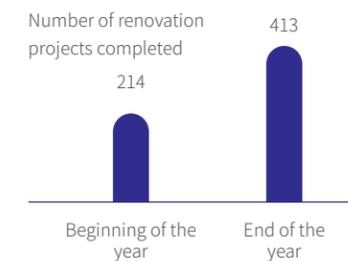
## Smart Community

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

### Intelligent Passage

Intelligent identification and access management

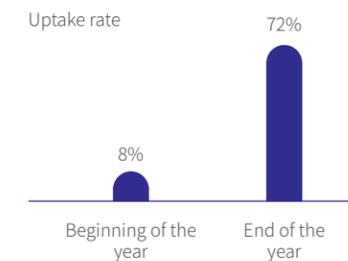
- Convenient passage to reduce the impact of substandard customer service
- Reduce set position for guardian



### Ronghui Inspection

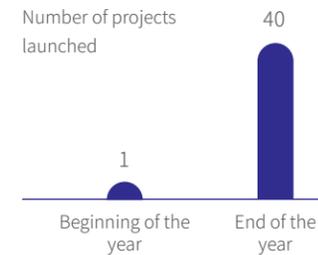
Remote online inspection

- Online unannounced inspection
- Regular online centralized inspection
- Find common problems for rectification



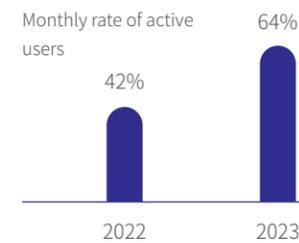
**EBA Monitoring**  
Remote sensing and monitoring of equipment

- Online centralized monitoring of operations
- Automatic detection of abnormal conditions
- Timely warning and timely maintenance



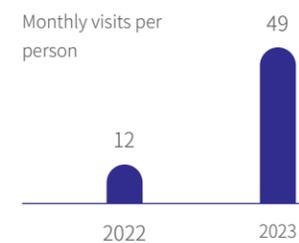
**Zhenxin App**  
Integration port of operation system

- Easier work for employees
- More efficient order organization
- More timely customer service



**Sunac E Management bulletin board**  
Understanding of online data

- Reduced offline statistics
- Real-time understanding of project data
- Timely warning to find anomalies



**NON-RESIDENTIAL SERVICES**

The Group provides a full range of high-quality property management services to customers in four main areas: government and enterprise services, medical and wellness, city services and commercial operations, as well as customised high-end commercial services to meet our customers' specific needs. We also offer scientific management throughout the whole life cycle of the buildings under our management by applying our digital operation and management system.

**OFFICE AND COMMERCIAL SERVICES**

The Group's business covers business offices, corporate headquarters, government offices, office industrial parks and other forms of business, we take customer demand as the source, to create a high-quality, full-scene, full-industry customized enterprise high-end services for the exclusive customers, to help the corporate image of the display and enhancement.



Chengdu Global Center



Wuhan Intelligent Valley



Beijing Xiaomi Mega Center

**HOSPITAL SERVICES**

Providing them with order keeping, cleaning, electrical and mechanical engineering, patient guidance, centralised transportation, patient escort and catering management services to support the efficient operation of the hospital's service system, bringing heartfelt, attentive and delicate care and quality intelligent management service experience to every doctor and patient there.



Tianjin Second People's Hospital



Hangzhou First People's Hospital



Children's Hospital of Chongqing Medical University

**CITY SERVICES**

The Group is committed to building an integrated platform for city services, covering venues, schools, parks and scenic spots, transportation hubs, municipal services and other areas closely related to city management, civilization and livelihood services. With the focus placed on urban infrastructure construction and the integration of environmental sanitation, the Group prioritises the creation of a "green, beautiful, bright, clean and orderly" five-in-one urban landscape model, with the aim of enhancing its city management expertise, improving the overall city service capabilities, and contributing to the development of the cities.



Nanchang Wanshou Palace Cultural District



Tianjin Nankai University, Jinan Campus



Hangzhou International Expo Center

**Case** Chengdu Global Center: Extending the Service Boundary of Commercial Scene 

The Chengdu Global Center sprawls across an area exceeding 700 acres, boasting a gross floor area of 1.7 million square meters, being Asia's largest urban complex which blends shopping, entertainment, tourism, hospitality, conferences, and dining experiences. The Group remains at the forefront by expanding service horizons and achieving notable advancements in the design and operation of full-cycle, multi-dimensional service settings within the Global Center:

▪ **Technological Intelligence and Digital Precision**

The Group has implemented a comprehensive building management system, graded facilities in the space through lean building and equipment management, and executed green practices, energy efficiency, and emission reduction. We accelerate intelligent technological applications, offer online network services, and utilize diverse system software for remote digital management of facilities and equipment, ensuring effectiveness, convenience, and technological intelligence.



▪ **Strategic Party Leadership and Diverse Service Offerings**

The Group leverages the Party-Community Service Center to establish Chengdu's first one-stop building comprehensive service station and government-enterprise communication space, offering a spectrum of services encompassing commerce, taxation, legal affairs, labor arbitration, health and environmental initiatives, and cultural engagement. With a dedicated focus on servicing over 2,000 private enterprises, over 700 merchants, and over 33,000 employees, the Group fosters a robust building ecosystem that benefits multiple stakeholders.



▪ **Paramount Emphasis on Safety and Security**

Given the complex's high human and vehicular traffic and valuable commercial assets, safety management at the Global Center is paramount. In collaboration with local fire authorities, the Group has spearheaded the innovative safety model of "1+4+N". This approach includes a full-time fire team, four micro fire stations, and a network of volunteer firefighters. Regular large-scale fire and emergency drills, as well as safety training initiatives, ensure the continuous stability, orderliness, and prosperity of the Global Centers.



**Smart Park**

The Group creates different types and levels of smart park products for various scenes, such as pedestrian and vehicular traffic, security, building automation, fire control, energy management, etc., to suit different needs of intelligent operation.

**Case** Wuhan Sunac Intelligent Valley - Wuhan Property Management Demonstration Project 

The Intelligent Valley Industrial Park is one of the first demonstration projects of Wuhan City under the name of "Innovation Valley Project", the occupants of which are mainly high-tech innovative enterprises, with integrated functions of corporate headquarters, incubation, R&D, trading, exhibition and living services, etc. Since assuming service management in 2018, the Group has centered on park management and customer needs. Leveraging the Internet, mobile Internet, Internet of Things, and other technologies, the Group has strategically deployed a smart park. This initiative has led to the development of a smart park operation service platform, enabling real-time surveillance of park conditions. This has significantly elevated the park's management standards, facilitated remote monitoring, real-time surveillance, anomaly alerts, energy conservation, online services, and other operational objectives, and successfully completed the park management and operation overhaul.

- **Facial Recognition Technology:** The park mandates that all employees and visitors undergo facial recognition authentication upon entering or exiting the parks, provides accurate registration and backstage authorisation of visitors, ensuring access efficiency and everyone in the park is legal and safe;
- **Surveillance System:** A monitoring system, equipped with high-definition cameras, enables real-time surveillance of all park areas. This system not only enhances park security but also significantly boosts operational efficiency;
- **Integrated Defense by Personnel and Technology:** The park establishes an advanced intelligent patrol system that utilizes smart devices to track patrol personnel positions and routes in real time, ensuring efficient and organized monitoring. In emergencies, the system promptly pinpoints incident locations, expediting emergency response and saving time; and
- **Emergency SOS Alarms:** Multiple emergency SOS alarm points are strategically placed throughout the park. In the event of any perilous situation, park staff and visitors can easily trigger the alarm at these points, prompting police intervention within a two-minute window. This collaboration between law enforcement and enterprises notably enhances park security measures.



## COMMERCIAL OPERATIONAL SERVICES

The Group relies on its seven core competencies, which include preliminary planning, investment estimation, planning and design, tenant sourcing execution, opening preparation management, operational management, and property management, to provide a full range of services for commercial entities. Adhering to the development concept of "creating unique and distinctive city entertainment (製造城市娛樂與不同)", our goal is to provide families with a micro-vacation and entertainment ecological experience, bring more entertainment scenes to more cities, and create a one-stop entertainment-oriented micro vacation commercial operation platform for Chinese families. In 2023, the Group continued to enhance its operational capabilities and develop marketing IP to enrich customers' experience.

<div style="border: 1px solid #004a99; border-radius: 10px; padding: 10px; background-color: #e6f2ff;"> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <b>Entertainment scenes modules</b> </div> <p><b>Themed spaces with entertainment experiences</b></p> <ul style="list-style-type: none"> <li>▪ Multidimensional amusement space</li> <li>▪ Integrated entertainment business models</li> <li>▪ Incorporation of performing arts activities</li> <li>▪ Entertainment equipment resources</li> </ul> </div>	<div style="border: 1px solid #004a99; border-radius: 10px; padding: 10px; background-color: #e6f2ff;"> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <b>Entertainment technology modules</b> </div> <p><b>Technology resource integration</b></p> <ul style="list-style-type: none"> <li>▪ Cutting-edge technology applications</li> <li>▪ Reconstruction of experience-based business models</li> <li>▪ Construction of technology scenes</li> <li>▪ Aggregation of trendy technology products</li> </ul> </div>
<div style="border: 1px solid #004a99; border-radius: 10px; padding: 10px; background-color: #e6f2ff;"> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <b>Trendy art modules</b> </div> <p><b>Breaking traditional combination forms</b></p> <ul style="list-style-type: none"> <li>▪ Themed art installations</li> <li>▪ Interactive photo space</li> <li>▪ Curated event resources</li> <li>▪ Trendy art events</li> </ul> </div>	<div style="border: 1px solid #004a99; border-radius: 10px; padding: 10px; background-color: #e6f2ff;"> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <b>Cultural party modules</b> </div> <p><b>Music social party venue</b></p> <ul style="list-style-type: none"> <li>▪ Music-themed experience</li> <li>▪ Cultural trendy products</li> <li>▪ Music party hotel</li> <li>▪ Cultural resources activities</li> </ul> </div>

**Case** **Kunming Dianchi Houhai Project: Deeply Integrated with Local Culture, and Ranked in the Special Commercial Property Star List**

The integration and symbiosis with local culture are vital components of ESG practices in commercial real estate. Maximizing the commercial value of local culture and incessantly upgrading content and refining the business model are crucial for sustainable progress. Sunac Commercial's steadfast commitment to merging culture with business endeavors reflects a strategic vision geared toward sustainable value creation.

Leveraging its distinctive attributes and blending a riverside town with a landscaped river, the Project has established a layout featuring "Water, One Street, Five Bridges, Six Courts, and Seven Squares". This layout captures the essence of architectural styles in six ethnic minorities and highlights intangible cultural heritage.

During its operations, the Kunming Dianchi Houhai project revolves around the key themes of natural ecology, culture and art, and entertainment. By prioritizing cultural essence and enhancing the tour experience, it forges a profound integration with local culture and develops a range of distinctive cultural activities. For instance, the Chinese New Year celebrations in Yunnan offer a vibrant showcase of Yunnan's rich culture through narratives of the Twin Cities, local traditions, ethnic motifs, and the temple fair. The Mid-Autumn Festival features ceremonies like the Moon Worshipping Ceremony, the Chinese-style Wedding Ceremony, and the 100 Children's First Writing Ceremony, showcasing the allure of traditional culture in diverse forms. The festival features the Water-Sprinkling Festival, a traditional ethnic celebration in Xishuangbanna, and the Tianxiang Tea Market, an oriental aesthetics fair inspired by the Song Dynasty era.



## CUSTOMER COMMUNICATION

The Group pays attention to the demands of customers, and attaches importance to communications with customers. The Group has formulated the Management Rules on Reporting and Complaints by Customers of Sunac Services Group, which specifies the handling process, the scope of responsibility and the management requirements on reporting or complaints by customers, guaranteed timely and effective services for customers by staff at all levels, solved their difficulties and consistently enhanced customer satisfaction.

The Group has established various complaint channels to allow customers to provide feedback to the Group through such methods as visits, calls, customer interviews, satisfaction surveys, steward interaction, and Sunac Livable Community APP/mini program. The Group has dedicated staff to receive, respond to, follow up and handle customer complaints in a timely manner. After the complaints are resolved, they will seek for confirmation and evaluation of the handling results from customers. For customers who don't provide comments, the Group will arrange the 400-service command center for timely return visits and follow-up to find out about customer satisfaction levels. In 2023, each project of the Group conducted quarterly customer interviews, monthly residential project manager meetings, and posted complaint hotlines at the major moving points of customers to achieve zero distance communication between property owners and property management in a timely manner. The number of customer telephone complaints received by the Group during the year was 32,890 and the complaint response rate was 100%.

The Group values customer feedback on our products and services and actively conducts customer satisfaction surveys. In 2023, the Group continued to optimise the Rules Governing Satisfaction Touch Point Surveys, further clarifying the rules, interfaces of responsibilities and management requirements for customer satisfaction touch point surveys. The Group conducts owner satisfaction surveys through regular satisfaction touch point surveys. The Group distributes the SMS/WeChat/satisfaction survey tools questionnaires to customers randomly and conducts follow-up phone calls by dedicated staff, and the Group researches and analyses the needs of owners to develop effective service improvement measures, with a view to continuously improving customer satisfaction. The Group's customer satisfaction score and satisfaction pass rate in 2023 maintained a leading level in the industry.

**This year**

Customer telephone complaints

**32,890**

Complaint response rate

**100%**



# SAFETY MANAGEMENT

The Group strictly adheres to national laws and regulations such as the *Fire Protection Law of the People's Republic of China* and the *Work Safety Law of the People's Republic of China*, as well as industry standards. The Group attaches remarkable importance to the management of safety production and has established a safety management system with corresponding management measures to impose safety management responsibilities. We have adopted the *Integrated Fire Safety Management System of Sunac Services Group*, *Risk Event Classification and Notification Management Measures of Sunac Services Group*, *Comprehensive Risk Management Measures for Non-Residential Buildings of Sunac Services Group* and *Emergency Handling Procedures* to emphasise safety requirements in daily operation and set up emergency plans. Safety production committees have been established by the Group in major regions and cities, which exercise their functions to research and develop measures for significant safety production issues. We also actively carried out safety education and training sessions to enhance the safety awareness of all our people, aiming to create a safe atmosphere and continuously improve the safety management expertise of the Group.



## This year

Sunac "Style" gatehouses completed

795 projects

Sunac gatehouses

1,600+ members

"Six Defenses" executed

805 projects

In 2023, the Group continued to improve the quality of customer service, upgrade safety management measures, protect the property of owners, and eliminate fire hazards:

- ◎ **Sunac "Style" gatehouses:** The completion of 795 projects represents approximately 88% of the total projects executed. At present, more than 1,600 Sunac gatehouses have been formally deployed after training and assessment. We require our staff to strictly practice operational processes and standards, prioritizing the customer's homeward bound route as the basis. Increasing customer loyalty and enhancing service perception is emphasised through various initiatives such as gatehouse logo marking for customer delivery management and service, standardised visual presentation of materials and equipment, staff etiquette, and communication tactics.
- ◎ **"Six Defenses":** 805 projects have been executed, representing 89% of all projects. This effort successfully prevented and resolved over 60 theft cases and more than 360 emergencies, leading to the recovery and restoration of property losses for the owners. Focusing on the key and important points with CCTV cameras and the key and hidden points without CCTV cameras in the area we manage, we optimise and adjust our business through the combination of online monitoring and offline inspection so that the patrol work has wide coverage, strong verification, fewer points and high quality to effectively enhance the security perception of our customers.
- ◎ **Sunac Home Guard Action:** In 2023, the Company completed two extensive training sessions for more than 1,100 project team leaders and higher-ranking personnel. This training was cascaded through three hierarchical levels across regions, cities, and projects to ensure the application of theoretical and practical customer service standards, as well as the reinforcement of operational norms, consolidating and enhancing the quality of customer service. The training targets junior managers, intending for them to serve as exemplars, exert influence, lead their teams effectively, and consistently deliver personalised, warm, reassuring, and quality services to customers.
- ◎ **Safety production month and fire safety promotion week:** The Group has widely launched activities such as safety production month and fire safety promotion week to create a safe atmosphere and ensure the safety of customers while providing high-quality living experiences.



Standard Image of Sunac "Style" Gatehouses



Fire prevention education campaign



Fire inspection



Fire drill



# CUSTOMER PRIVACY PROTECTION

The Group complies with the *Network Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Law of the People's Republic of China on Personal Information Protection* and other information security and privacy protection related laws and regulations, and follows the principle of "hierarchical management and authorised use" to implement the main responsibility of the enterprise in network security, information security and personal privacy protection. Adhering to the principle of compliance and reasonable implementation, and through strict authority control strategies and data classification and grading mechanisms, the Group has implemented full life-cycle security control for different dimensions of data such as trade secrets, business information, and employee and customer personal information.

In 2023, the Group deepened its work on data compliance by developing a proprietary data classification and grading platform to enable real-time and accurate management of the Company's data assets, ensuring that they are classified and graded appropriately, and implementing a secure management mechanism for data classification and control in different scenarios, including system design, feature development, business use, and system maintenance, mainly including:

- ◎ **System Certification:** The Group has obtained ISO/IEC 20000-1:2008 Information Technology Service Management System Certification and ISO/IEC 27001-1:2013 Information Technology Information Security Management System Certification; It has obtained Level 3 certification for network security protection for Sunac Livable Community system (for customer service applications) and Level 3 certification for network security protection for Sunac Smart Community system;
- ◎ **Data security lifecycle management:** The system involves in the phase of sorting out the full lifecycle requirements of data security, using "minimization" as the security principle, identifying the scope and type of data collection, data storage, and data sharing, and verifying the privacy compliance risk through rigorous audit tools;
- ◎ **Business data management:** Business usage involves the subdivision of data desensitization scenarios to achieve data sharing and desensitization, and standardization of system logs for sensitive data operations; and
- ◎ **System operation and maintenance management:** System operation and maintenance involves the deployment of a database audit platform to strengthen data security management at the database level, and the achievement of controlled risk management of changes to the database through a comprehensive process checklist.



The Group has established security mechanisms to deal with malicious network attacks and accidental data leaks in three dimensions: prevention, occurrence and response, mainly include:

- ◎ **Prevention in advanced:** deploy a unified monitoring platform to monitor data traffic in real time and report alarms from each level; identify network attacks and deploy network edge security protection tools in private data centers and public cloud to realise a closed-loop security processing mechanism that detects and discovers attack surfaces, analyses and researches, and provides intelligence alerts and response handling; perfect data backup mechanism and contingency plans;
- ◎ **Handling during occurrence:** In accordance with the Group's information system SLA commitment, an information security response and handling mechanism for incident assessment, cause analysis, remediation and business resumption has been established for information systems at different business levels and incident levels to minimise the impact of the information security incident and its impact on the business;
- ◎ **Post-event traceability:** The Group's data assets are classified and graded, and each system has standardised operation logs, administrator logs, and audit logs; so that the value of the leaked data can be determined after the event, and the leak can be quickly located and stopped in a timely manner; and
- ◎ **Emergency drills and business continuity testing:** Regularly conduct centralised customer data distribution systems, as well as emergency drills and business continuity testing based on data leakage scenarios.

In terms of major information security and network security incidents, the Group has established a service guarantee system that supports business needs by integrating all departments and following top-down, general-to-detailed and general-to-local approaches. This system includes:

◎ **Risk Research and Assessment**

The Group strictly follows the ISO 20000 and ISO 27001 systems for planning risk identification and establishing a risk identification system based on business scenarios. Regular risk assessments are conducted every year for data assets, business availability, system stability, and information security risks. Based on the results of risk identification, risk analysis is carried out, and improvement and prevention measures are developed in accordance with the Group's risk acceptance criteria and risk preferences. Information system risks are controlled through change management to ensure the smooth operation of the system with minimum risks.

◎ **Data-Based Emergency Response Drills**

To prevent accidental IT system failures and the infringement of data assets, such as data corruption, loss, and ransom caused by information security incidents, the Group develops emergency plans for systems and products with centralised distribution of data assets based on data scenarios. The Group conducts annual emergency drills to effectively verify data backup and system vulnerability prevention capabilities. After the drills, the Group summarises the process, reviews the results, identifies issues, updates the emergency plans, and ensures the health of the system at the data level.

The Group has set up operational and security mechanisms and emergency response mechanisms to ensure that operation and security are carried out orderly. We conducted operation and maintenance activities in accordance with our internal procedures, defended against external virus threats on all fronts, responded proactively to security incidents and conducted self-inspections on a regular basis. During the Reporting Period, the Group was impacted by many variants of ransomware and vulnerability attacks. The Group vigorously promoted information security and cultivated the security awareness of the Group's staff, resulting in zero human-caused security incidents.





## SUPPLIER MANAGEMENT

The Group has formulated the *Supplier Management Regulation of Sunac Services Group* that covers all suppliers, developed the *Regulations for On-site Management of Labour Outsourcing* for labour service suppliers such as security and cleaning services, and established the supplier management mechanism to ensure that the supplier management system is systematic, standard and effective. The Group specifies the principles and requirements on key links, sets standard management procedures for all links, and promotes supplier management in an effective, comprehensive, systematic, open and fair manner.

The Group implements a comprehensive procurement management process that covers all suppliers and clearly defines the management requirements for supplier access, evaluation, punishment, and elimination. The Group conducts monthly performance evaluations for outsourcing suppliers and semi-annual evaluations for other service and material suppliers. The Group places great importance on communication and management with its suppliers. The Group communicates with suppliers on the monthly performance results on a regular basis, and talks with suppliers with unsatisfactory performance in the semi-annual evaluations, urging suppliers to make rectifications and improvements. For suppliers that have serious violations during the contract period, the Group adopts compulsory exit measures on them.

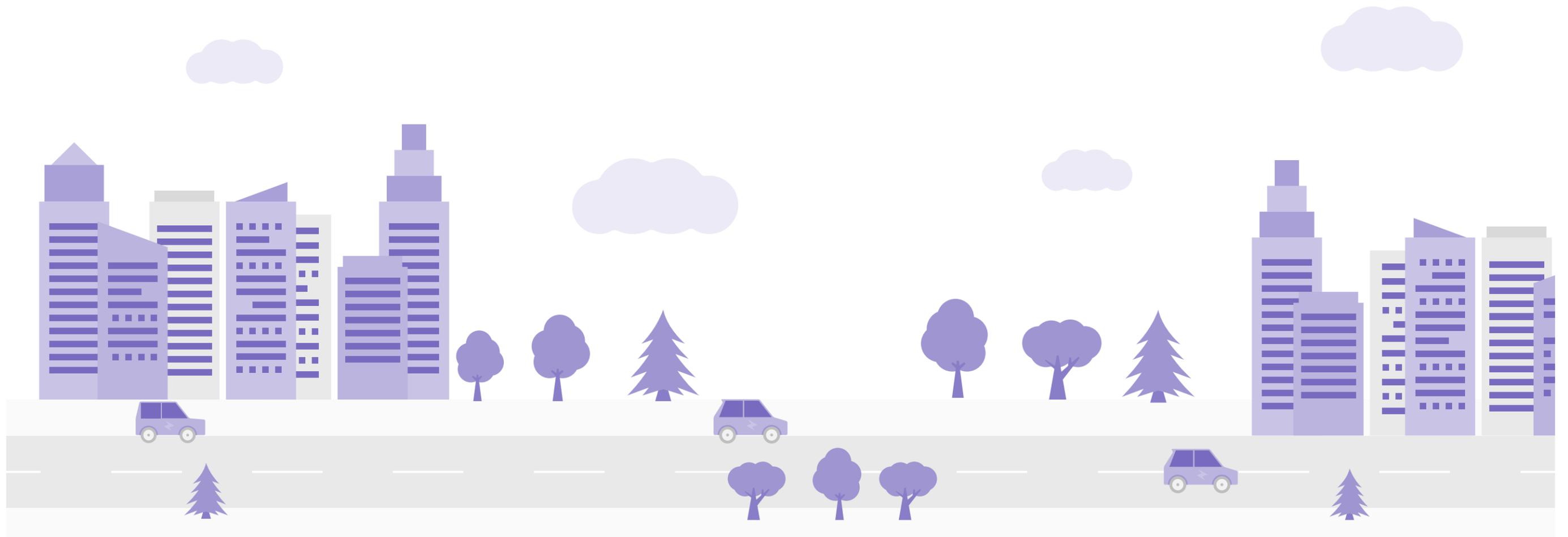
In 2023, as business expanded, the Group issued the *Measures for the Management of Outsourcing of Environment and Order Services of Sunac Service Group*, which regulated the management of outsourcing of environment/order services in the residential segment of the Group's Residential Operation Service Center, and clarified the completeness, standardization and strictness in the preparation, supervision of implementation, acceptance and evaluation of technical proposals for services/special commissions in the course of the outsourcing process.

Further, the Group incorporates the consideration of environmental and social performance of suppliers into the supplier management.

For the management of environmental performance, the Group appoints professionals of the business department as environmental experts to participate in the projects' procurement bidding process, set technical standards and requirements related to environmental impacts that are consistent with products' parameter requirements, and appraise suppliers' samples and product testing reports. Suppliers meeting the environmental standards can enter the subsequent procurement procedures. For instance, in the procurement of trash bins, trash bags and furniture for property management parks, the Group sets environmental requirements and requires suppliers to provide products' environmental impact assessment reports and environmentally-friendly product certificates issued by authoritative organisations.

In the management of social performance, the procurement department and the relevant business department visit suppliers of first cooperation for on-the-spot investigations, which cover employees' workplaces and labour rights and interests.

As of the end of 2023, the Group had 1,252 suppliers with ISO 9001 Quality Management System Certification, 1,092 suppliers with ISO 14001 Environmental Management System Certification and 1,062 suppliers with ISO 45001 Occupational Health and Safety Management System Certification.





# ENVIRONMENTAL PROTECTION AND GREEN OPERATION



- ENVIRONMENTAL GOALS
- USE OF RESOURCES
- EMISSIONS MANAGEMENT
- BIODIVERSITY PROTECTION
- CLIMATE CHANGE
- ENVIRONMENTAL PERFORMANCE IN 2023





## ENVIRONMENTAL GOALS

Based on the historical environmental performance, the Group has set environmental goals in line with the business operation in 2021, which include:

- ◎ **Emission reduction goals:** Actively respond to the national goals of carbon peaking and carbon neutrality, strictly implement green operations and keep greenhouse gas emission intensity a decreasing trend.
- ◎ **Waste reduction goals:** Minimise waste discharge and have 100% of hazardous waste treated harmlessly by qualified suppliers and actively promote waste sorting and management in accordance with policy requirements. During the year, the Group achieved this waste reduction goal.
- ◎ **Energy conservation goals:** Continuously establish an energy management system, promote energy saving equipment and enhance the efficiency in the use of energy.
- ◎ **Water conservation goals:** Continuously establish an energy management system, promote water saving equipment and enhance the efficiency in the use of water resources.

The intensity of greenhouse gas emissions, energy consumption, and water consumption have increased within acceptable limits compared to previous years. Moving forward, we pay continuous attention to our environmental targets by conducting regular reviews and audits, and enhancing the management of environmental data related to greenhouse gas emissions, energy consumption, and water consumption intensity, with a view to promoting the achievement of the targets in the following year.

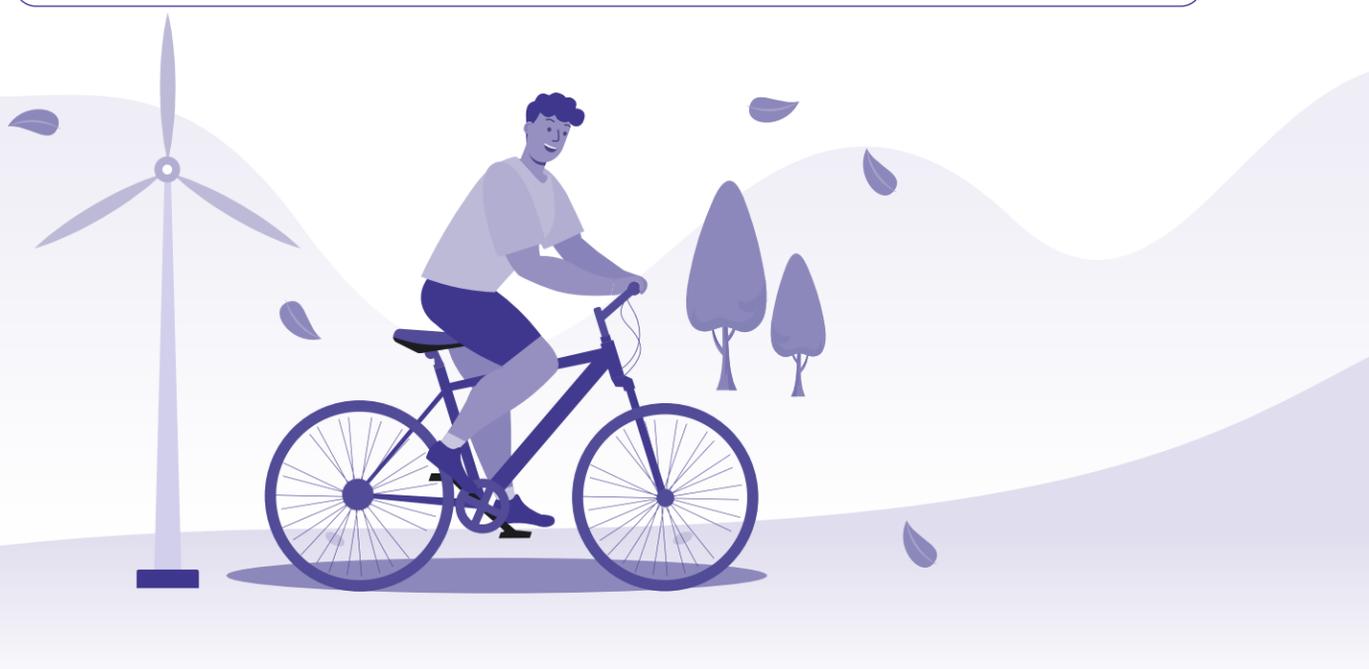
For details of the Group's environmental KPIs, please refer to the section headed "Appendix: Key Performance Indicators" of this report.

### Case

#### Sunac Commercial: 6 National "Green" Shopping Malls



Green shopping malls practice the concepts of environmental protection, health and safety, adapt to the needs of green consumption, and take environmental factors into account in operation and management system to realize energy saving and emission reduction, green sales and waste recycling, protect the ecosystem and rationally use resources. Six of the Group's commercial operation and management projects in Harbin, Nanchang, Xishuangbanna, Dujiangyan, Wuxi and Chongqing have passed the national "green" shopping mall assessment.




## USE OF RESOURCES

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

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

### WORKPLACE ENERGY CONSERVATION AND CONSUMPTION REDUCTION MANAGEMENT

The management measures implemented to reduce energy consumption in the Group's workplace are as follows:

- ◎ **Energy-saving tip:** Encourage employees to save electricity and set up energy-saving reminder signs in various areas of the office.
- ◎ **Office equipment management:** Set office computers to sleep mode when not in use, unplug devices that are not frequently used after use, and turn off heating and cooling equipment when not in use; also, ensure that all office equipment is shut down and disconnected from the power source before leaving work to minimise standby power consumption and ensure electrical safety.
- ◎ **Facilities management:**
  - Air conditioner: Set the indoor air-condition temperature no lower than 26 degrees Celsius in summer and no higher than 20 degrees Celsius in winter; it is not allowed to open windows while the air conditioner is in operation;
  - Lighting facilities: Precise control of lighting on and off according to the corresponding times for morning cleaning, lunch break and evening closing of the work area; and
  - Energy saving lamp replacement: low energy lamps are installed in appropriate locations.

### ENERGY CONSERVATION MANAGEMENT OF PROJECTS

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

- ◎ **Management:** The Group has established management systems, including the *Measures for Management of Energy Consumption of Sunac Services Group*, through the establishment of energy consumption management ledgers to accurately record statistics on single-party electricity consumption and has conducted monthly energy consumption analysis and review. The Group also implemented energy-saving and consumption-reduction management from the date of delivery and timely adjusted lighting and air-conditioning on/off times according to changes in light and temperature.
- ◎ **Promotion and education:** The Group fostered awareness and habits of energy conservation among staff and owners to enable them to attach importance to energy conservation in their minds.
- ◎ **Technical energy conservation:** The Group eliminates outdated and high-energy-consuming electrical equipment and introduces high-efficiency energy-saving equipment, such as LED lights, radar sensing lighting systems, secondary water supply equipment without negative pressure, solar-powered street lights, and more. In addition, based on the actual operation of each project, the Group optimises energy consumption equipment in a timely manner through technical means such as load optimization, line optimization, and optimization of operating time periods to reduce energy waste.

**Case** **Qingdao Urban Center S8 Project: Effective energy-saving retrofits significantly reduce energy consumption** 

The garage at Qingdao Urban Center S8 project initially faced issues of high energy consumption and inadequate illumination from the lighting equipment. To tackle these challenges, the Group undertook targeted improvement initiatives. The optimal retrofit program was implemented after conducting a thorough comparison of energy-saving products and considering the project's challenges. This led to a significant enhancement in garage illumination and a notable decrease in energy consumption per unit time. In the first month after the retrofit, 13,248 kWh of electricity were saved.

**Case** **Putian Lanxi Phase II Project: Light sensors with human presence detection for retrofitting effectively lowers energy consumption** 

In the Putian Lanxi II project, the proximity of sensor lights in certain stairwells to the traffic road caused the lights to be triggered by passing vehicles, leading to continuous operation of the lights in the fire escapes. Consequently, the building's energy consumption was 1-2 times higher than other units. To address this issue effectively, the Group purchased light sensors with human presence detection for retrofitting. By deactivating some continuously lit lamps and lanterns, the average monthly electricity consumption for general lighting was reduced from around 4,000 kWh to approximately 2,000 kWh. This signifies 50% reduction in energy consumption.

## GREEN OFFICE

The Group promotes the green office pattern in office areas and continuously enhances employees' environmental protection awareness. The green office measures adopted by the Group include, but are not limited to:

Facilitate the construction of office information systems	Build the "Sunac Smart" quality inspection system, enabling the use of cameras to monitor key areas and routes in the community, achieving online inspections and reducing the number of trips/car trips.
Promote the paperless office	Continuously promote the use of electronic signatures in contracts to reduce paper-based contracts.
Advocate online meetings	Advocate online meetings to reduce carbon emissions generated by business trips.
Encourage paper recycling	Encourage two-sided, multi-page and black-and-white printing and reuse of paper.
Office supplies management and control	Control the procurement of office supplies and efficiently manage supplies in the warehouse; encourage the prioritisation of refills over brand new pens to reduce the consumption of office pens.

## WATER RESOURCE MANAGEMENT

In terms of project operations, the Group applied the energy management system to monitor water consumption data, formulated the water resource management strategy of the Group, and reduced the overall water consumption of projects while using water resources in a scientific and reasonable manner. In respect of office premises, the Group actively promoted water conservation by posting water saving notices in the public water service areas of office areas and property management parks and improved the water saving awareness of employees and property owners, to avoid "water running, flowing, dripping and leakage" and other circumstances of wasting water resources.

-  **Water saving technologies:** The Group employed the reclaimed water system to source natural water resources for irrigating plants and cleaning, and adopted the EBA remote automatic control system to control the water level and replenishment of fire-fighting water and water landscape, thereby preventing human-caused waste.
-  **Water saving management:** The Group has established water conservation management organizations at all levels, equipped with dedicated management personnel, and established the water conservation management network of units. Through mapping the water consumption network, improving water meter measurement, drawing the maps of the water supply pipe network and measurement network, establishing measurement base data, etc., the Group conducted statistical comparison between the first and second level meters, found out the measurement indicators for two-level measurement difference (or completing water balance test), identified problems and carried out rectification. Through the development of management systems for water use, water conservation, measurement, inspection, reporting and repair, the Group implemented effective management and improved relevant records.



**Case** **Swimming Pool in Hangzhou Olympic Sports Center: Using technology and labor to save water** 

With a vast storage capacity of approximately 10,000 tonnes of water spread across three pools—the warm-up pool, competition pool, and diving pool—the pool's annual water replenishment was merely 5%. To ensure water quality and conserve resources, the swimming pool is equipped with a continuous 24-hour water recycling system. Featuring seven water treatment stages, one of the processes integrates a diatomaceous filter with a precision of 1 to 2 microns, elevating the water quality to meet drinking standards. However, the cleaning of filter rods can only be done manually, and the masters in the water district have to wash 3,100 filter rods by hand every day to save water consumption through technology and labor.

**Case** **Kunming Culture and Tourism Zone B Project: Retrofitting the pipe network to save water and energy** 

Based on the actual situation, The Kunming Cultural Tourism Zone B project completed the renovation of public water supply in the whole area from May to June 2023, and connected the water pipe network, to curtail to curtail tap water consumption during green plant irrigation activities. This initiative resulted in a significant reduction in the project's water expenditure from the initial RMB6.05 to RMB2.8 per unit, leading to monthly savings of nearly RMB2,000, which fostered sustainable business practices through cost-effective environmental measures.



## EMISSIONS MANAGEMENT

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



### DUST AND WASTE GAS CONTROL

Overall coverage of the cleaning equipment

**170%+**

**99%**

Online operation monitoring rate of cleaning machines through online management

The Group has promoted the use of enclosed three-in-one sweepers and enclosed three-in-one floor scrubbers for sweeping and dust removal in the property management parks, and has basically implemented mechanised operations during the renovation period and the disposal of dust from excavation, thus reducing the occurrence of dust pollution and maintaining the overall coverage of the cleaning equipment at over 170%. Achieving 99% online operation monitoring rate of cleaning machines through online management, which greatly improved management efficiency and reduced emission pollution; The Group requires that staff canteens and merchants engaged in catering in parks install purification equipment for exhaust emission and their cooking stoves shall adopt clean fuels to prevent polluting surrounding areas.



Smart cleaning robot



Electric vacuum cleaner with plate-like brushes



Fully automatic floor scrubber

### SEWAGE MANAGEMENT

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

## WASTE MANAGEMENT

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

**Case** **Event security for Asian Games: dedicated personnel for waste separation and establishment of "waste-free venues"**



During the Asian Games in Hangzhou, the three main venues, including the main stadium, swimming pool, and training hall of the Hangzhou Olympic Sports Center, collectively generated an average of 1.33 tonnes of waste daily. Additionally, the Hangzhou International Expo Center, the squash competition and training venues for the Asian Games, along with housing the Main Media Center (MMC), witnessed an average daily waste disposal of 1.5 tonnes at the squash stadium and 6 tonnes at the Main Media Center. The Group's dedicated environmental team appointed specialized personnel for waste sorting and recycling. They implemented a daily disinfection cycle and ensured 18 hours of uninterrupted security coverage throughout the events to manage the daily waste generation, ensuring no oversights in waste sorting and recycling.



## BIODIVERSITY PROTECTION

Replanted green plants more than	Modified the soil by more than	Cutting ground of more than	Replanted the lawn more than
<b>30,000</b> plants	<b>60,000</b> square meters	<b>200,000</b> square meters	<b>370,000</b> square meters

In 2023, the Group adopted the themes of "spring rain", "summer wind", "autumn sun" and "winter snow" throughout the year and actively practiced the concept of environmental protection. Throughout the year, the Group replanted more than 30,000 green plants, cutting ground of more than 200,000 square meters, modified the soil by more than 60,000 square meters, and replanted and replanted more than 370,000 square meters of lawn, in an effort to maintain and enhance the biodiversity in the region, and to fully carry out our mission of going green. In the course of its business operations, the Group attaches importance to environmental protection and the use and promotion of environmentally friendly products. In the course of its actual service and operation, the Group not only strives to maintain and protect the ecological environment of parks but also focuses on the continuous enhancement and maintenance of the climatic environment and the biodiversity of the ecological chain of the parks, specific measures include:

- ① We develop corresponding maintenance plans according to the different seasons in different areas to improve the microclimate ecological environment and the oxygen content of the air in the parks, increase the retention rate of plants and reduce the destruction of natural vegetation through scientific and professional maintenance. We will improve the coverage and beautification of cost-free greenery through asexual propagation (dragging and sub-planting), and continuously improve the integrity and richness of the vegetation in the parks.
- ② For the flat grassland, the "system of ground mobile micro-spray, micro-spray belt and underground automatic irrigation" has been improved to reduce the surface water pollution and water wastage caused by the traditional large water irrigation and surface water run-off from direct water pipes.
- ③ We strictly implement the national standards on the use of pesticides, using "low-level, residue-free, bio-extracted, environmentally friendly pesticides" and eliminating the use of "highly toxic, high residue organophosphorus pesticides". The management of the Company's pesticides is strictly implemented through the independent lock-up management mechanism of "dedicated personnel, separate lock-up and independent management".
- ④ In winter, we strictly implement the *Snow Removal Operation Regulations* for "snow removal and plowing", and we do not use snow-melting agents for snow removal in the green areas of the parks. We sweep the clean snow without using snow-melting agents into the green areas to increase the use of snow water and reduce the discharge of polluted water and pollution.
- ⑤ Through the regular activities in the parks of property owners, such as the talks and competitions on rubbish classification, tree planting festival, plant adoption, promotion of civilised dog keeping, and donation of clothing, we actively promote and raise the knowledge and awareness of environmental protection through positive guidance and the participation of the street offices and property owners.



Grass seed replanting, greenery renewed



Micro-spray system for lawn maintenance

**Case Sunac Commercial: "Little Green Guard" Children's Public Welfare Activity**

In December 2022, the Group launched its inaugural children's public welfare initiative - "Little Green Guard" in the twin cities of Wuxi Sunac Mall and Xishuangbanna Sunac Mall. The program aimed to raise environmental awareness and promote sustainability among youths through the voices of the "Little Green Guards." Concurrently, it supported the promotion and fundraising for the "3060 Carbon Neutral Forest Adoption Program" of the China Siyuan Foundation. This initiative involved planting sea buckthorn trees in the Four Princes Banner of Ulanhob City, Inner Mongolia, to combat desertification and contribute to carbon neutrality efforts while also fundraising.

In March 2023, Sunac Commercial expanded its outreach with a ten-city campaign. Collaborating with nearly 100 diverse partners, the campaign engaged over 1,000 youth families in green-themed public presentations, tree-planting activities, green plant DIY projects, and other environmentally conscious endeavors.



**Case Sunac Commercial: "Exploring Fisheries - Coexisting with the River" Study Activity**

In December 2023, Sunac Commercial, the Youth League Committee of Binhu District at Wuxi, and the Freshwater Fisheries Research Center of the Chinese Academy of Fisheries Sciences conducted the activity "Exploring Fisheries - Coexisting with the River" by organizing 150 families to learn about the knowledge of China's freshwater fishes with lectures on the Yangtze River dolphin population and its protection. The program also included research and observation of freshwater mussels and advocated for ecological protection of the Yangtze River.



**CLIMATE CHANGE**

Climate change has a growing influence on human society and has brought great challenges to businesses. In this context, the Group takes the initiative to identify potential risks caused by climate change and closely monitors the issue of national policies on climate change and their development, so as to facilitate business development. The Group assesses the impact of climate change issues on the overall strategy of the Company and incorporates climate change risks into its risk management system. The Board is primarily responsible for the Company's risk management and internal control and supervises the effectiveness of the Group's control system. The management assists the Board of Directors in the identification and assessment of risk elements of each business system, including climate risk, and participates in the design and operation of internal control measures that meet the management requirements of the Group. The Group makes reference to the *Guidelines on Climate Change Information Disclosure Reporting in accordance with TCFD Recommendations* issued by the Stock Exchange for information disclosure on climate change, while conducting assessments of the physical risks.

Transformation risks and opportunities arising from climate changes as well as analysis of responding strategies, as detailed in the table below.

The risk identification results of climate change and countermeasures of the Group		
Major risk	Potential impact	Countermeasures
Physical risks	Acute risks	For projects in different climatic environments, the Group conducts pre-analysis of the impact of extreme weather on its business and staff, and carries out special plans according to the high frequency cycle of extreme weather, with clear protection mechanisms and contingency plans.  The Group formulates emergency plans to cope with climate-related natural disasters, including the <i>Snow Storm Emergency Plan of Sunac Property Group</i> , the <i>Typhoon Emergency Plan of Sunac Property Group</i> and the <i>Flood Emergency Plan of Sunac Property Group</i> , which clarify the cycles of extreme weather and the responsibilities of leaders and employees of functional departments. Take flood control works as an example. The Group estimates that the high frequency cycle of floods in China's southern regions is from May to September. If acute climate events, such as rainstorms and typhoons, occur during the cycle, project managers, as the chiefs of emergency response groups, are responsible for making overall emergency response plans; persons in charge of engineering and persons in charge of the order, as the deputy chiefs, are responsible for protecting the equipment rooms, ensuring the drainage works in parks and safeguarding the provision and transportation safety of supplies, with the aim of protecting the safety of employees and property owners, ensuring the continuity of businesses and minimising possible losses.
	Chronic risk	Chronic risks such as extreme temperatures and droughts may increase energy consumption in office and public areas and increase operating costs.  The Group will consider sea level rise in the planning of new operation sites and monitor the trend of sea level rise. In addition, the Group will also consider the impact of rising temperature in the planning of new operation sites, and select heat-resistant materials and equipment for the operation and maintenance of park facilities.
Transformation Risk	Policy risk	China will introduce laws and regulations related to climate change, which may increase compliance costs to meet regulatory requirements, or expose the Company to litigation and penalties if it fails to meet regulatory requirements in terms of environmental management.  In view of the long-term low-carbon transformation and development trend in China, the Group is committed to continuously reducing our carbon emissions by complying with and responding to our nation's current requirements related to carbon emission reduction and implementing energy saving and emission reduction measures. At the same time, the Group keeps a close eye on the regulations and policies related to climate change and carbon emission reduction that may have a significant impact, and the Group will study the policy trends and initiate preparatory work in advance.
	Market risk	Customers and consumers are more aware of environmental protection, and the low-carbon and environmental attributes of the residential parks may become a more important basis for consumption judgment, which will put higher demands on the management capability and supporting technology and equipment of the green and low-carbon parks of the Company.  We will investigate the consumers' preference for environmental protection and green concept parks, consider introducing more environmental protection, low carbon and green management strategies in the operation of parks, and communicate and promote the low-carbon and environmental attributes of parks to the consumers.
	Technology risk	With the transition to a low carbon and energy-efficient economy, the Company may face challenges of technological improvement or innovation, and the replacement of equipment with lower environmental impact and lower emissions may cause more costs.  The Group proactively identifies, sorts out and considers the use of emerging technologies, such as those with higher levels of energy efficiency and renewable energy.
	Reputation risk	Including but not limited to the increasing concerns of regulators, shareholders, partners, customers, the public and other stakeholders on climate issues. The Company's reputation may be affected if the Company fails to develop appropriate responses to climate change.  The Group evaluates the impact of appropriate climate change response on its overall strategy, implements climate change response measures based on its current status, plans future response strategies, and strengthens communication with investors, consumers and other stakeholders in respect of climate change response.
Opportunities	Products and services	Developing and managing innovative communities with environmental attributes may enhance a company's competitive advantage while adapting to future changes in consumer preferences.  The Group started to evaluate and consider incorporating environmental attributes into its service and product strategy, and plan for the launch of communities with environmental attributes.
	Resource efficiency	The Company's operating costs can be reduced by implementing various green operation measures related to energy saving and emission reduction, water resources management and waste management when the technology is mature.  The Group commissions and upgrades its current operating facilities, and builds and uses a digital energy monitoring and management platform.

**Case Promoting the Construction of Public Charging Piles to Facilitate Carbon Reduction in the Community**



The Group initiated the pilot project for non-power-driven vehicle charging posts in 2021. By 2023, the project had expanded to encompass 323 projects, marking a substantial year-on-year growth of 276%. Additionally, over 25,000 units of non-power-driven vehicle charging posts were deployed, demonstrating a year-on-year growth of approximately 384%. These pilot initiatives effectively catered to the charging requirements of non-power-driven vehicles within the community while ensuring the safety of community facilities and equipment. Moreover, they addressed fire safety concerns, advanced environmental conservation and energy efficiency efforts, and collectively facilitated the community's progress in the "carbon reduction" endeavor.



**Case Sunac Commercial: Applied Clean Energy to Reduce Carbon Emissions**



In 2023, Sunac Commercial continued to respond to the national goals for "Carbon Peaking and Carbon Neutrality" by introducing clean energy to commercial buildings. There were a total area of 445,000 square meters, which was installed with photovoltaic power generation in 10 projects, including Harbin, Nanchang, Xishuangbanna, Hefei, Wuxi, Qingdao and Guangzhou. The installed capacity was 43.6 MW, of which 26.28 million kwh were used for commercial power generation each year, reducing carbon emissions by 15,700 tonnes per year. The action helped realize sustainable renewable energy supply and enhance energy efficiency in buildings.



Nanchang Sunac Mall Photovoltaic



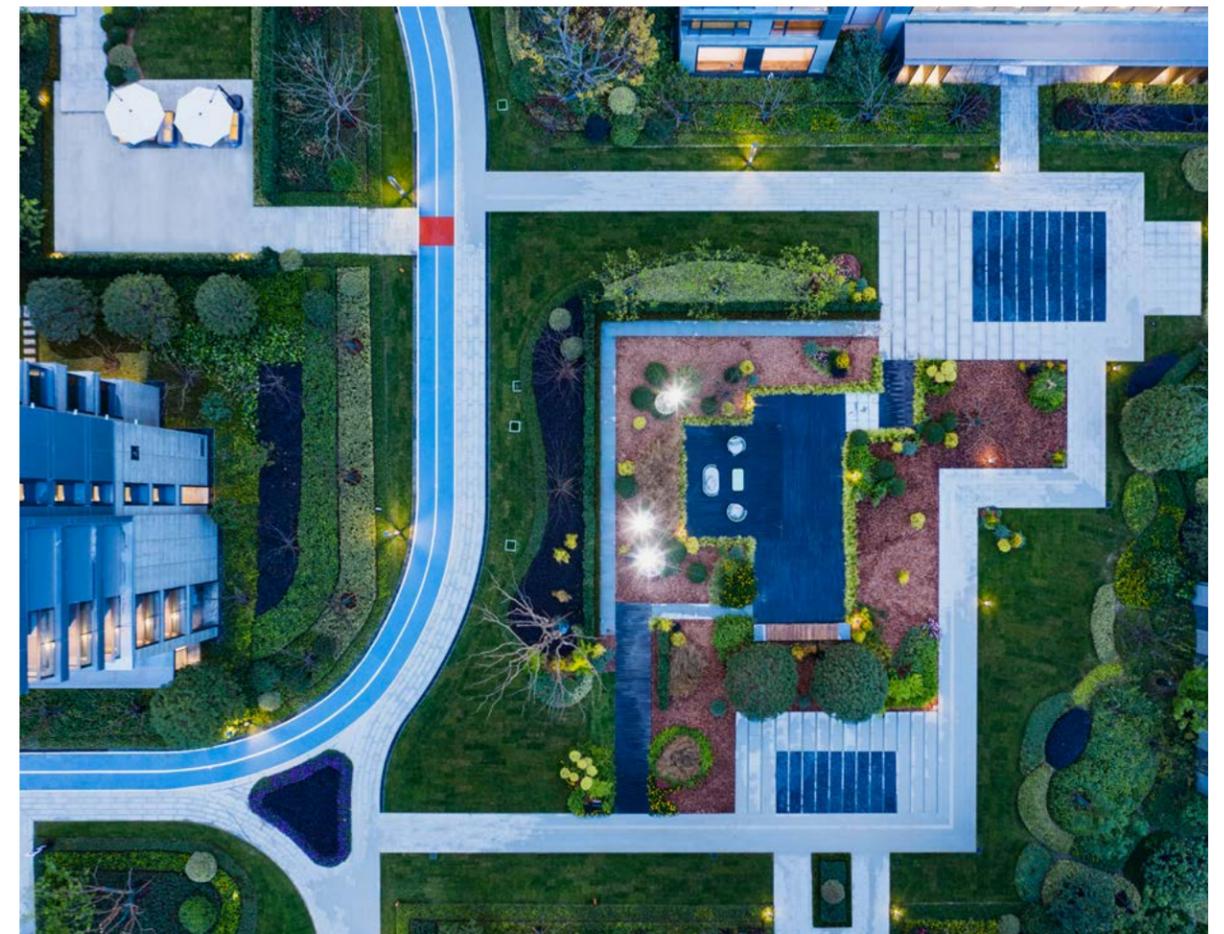
Qingdao Movie Metropolis Sunac Mall Photovoltaic



# ENVIRONMENTAL PERFORMANCE IN 2023

The scope of the data on environmental performance in this report covers the headquarters of the Group, all regional and city-level platform companies and the property management projects and commercial operational projects under their management\*. Emissions from the operation of the Group mainly include greenhouse gas emissions from the use of energy, and non-hazardous wastes. Non-hazardous wastes produced are collected and sorted for disposal by municipal authorities or qualified cleaning and transportation service providers. Hazardous wastes of small quantities generated during the operation of the Group are all recycled or treated in an environmentally friendly manner by qualified professional companies, which will have no significant impacts on the environment.

The resources used in the operation of the Group mainly include gasoline, diesel, purchased electricity, liquefied petroleum gas, natural gas and water. Since the Group's operation involves very few packaging materials, data on key performance indicator A2.5 - Total packaging material used for finished products is not disclosed. In 2023, we targeted a decrease in hazardous waste and non-hazardous waste density year-on-year. The Group has no problem in obtaining water resources. For detailed data on key performance indicators on emissions and use of resources, please refer to "Appendix: Key Performance Indicators".

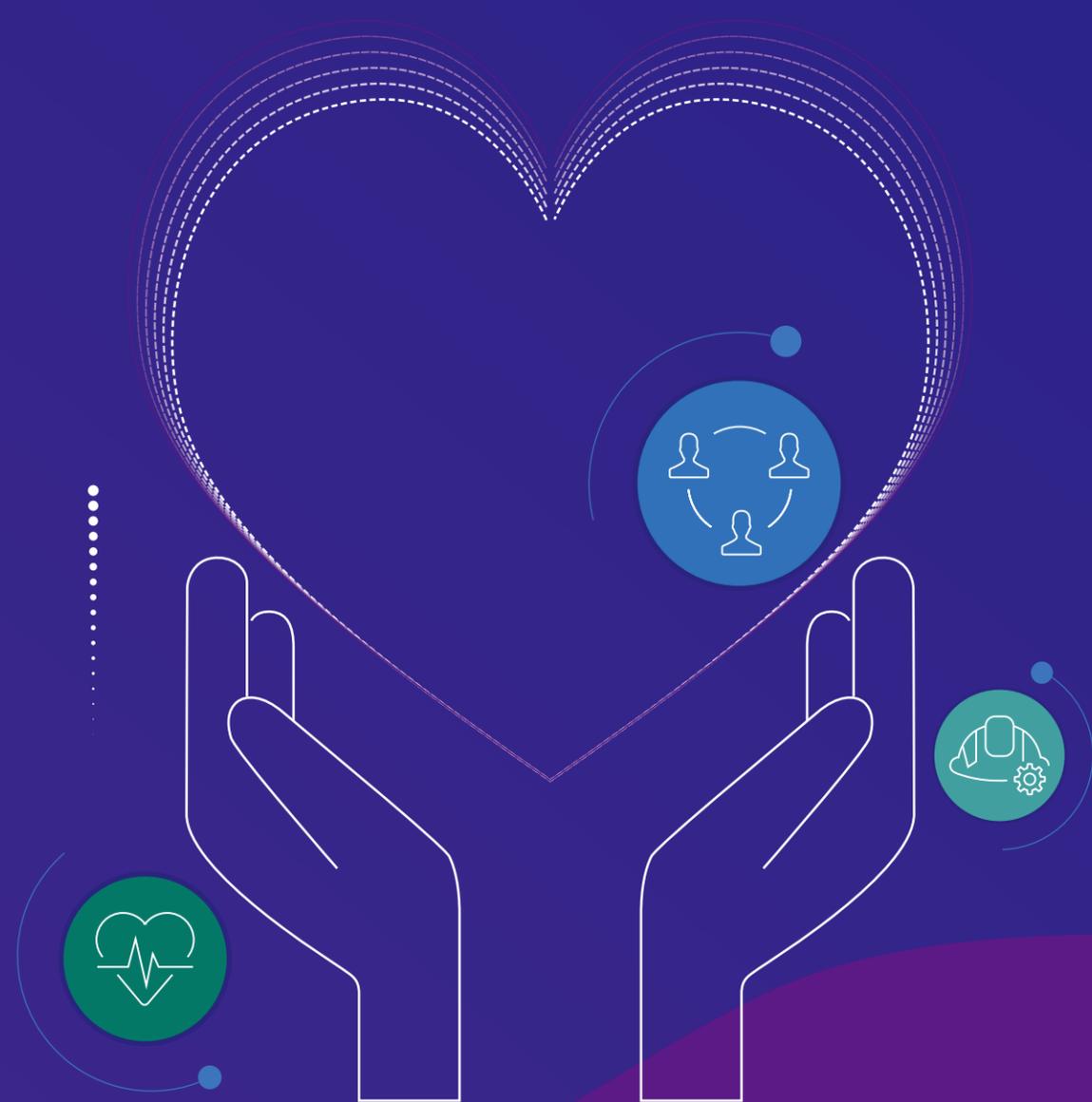


\*Excluding property management projects that adopt a commission system and commercial operation management projects that adopt a entrusted management model.



# PUTTING PEOPLE FIRST, CO-COMMITMENT AND CO-ACHIEVEMENT

- EMPLOYMENT AND PROMOTION
- LABOUR STANDARDS
- REMUNERATION AND BENEFITS
- EMPLOYEES HEALTH AND SAFETY
- COMMUNICATION AND EXCHANGE
- TRAINING AND DEVELOPMENT





## EMPLOYMENT AND PROMOTION

Employees are key drivers to the sustainable development of an enterprise. The Group abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the requirements of other laws and regulations and is devoted to creating an equal, safe, healthy and comfortable working environment for each employee. The Group fully respects and guarantees the basic rights and interests of each employee, strives to create conditions for the personal growth of employees and provides them with broad promotion potential and development platforms.

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

The Group formulated the *Management Regulation on Labor Contracts of Sunac Services Group*, which standardises the contract management work and operational procedures and specifies the rights and obligations of both parties. The management regulation has explicit provisions on working hours, employee vocations, working contents, remuneration and welfare, labor conditions and other contents to safeguard the basic legitimate interests of laborers and the Group and establish a harmonious and stable labor relationship. For employees during the probation, the *Group formulated the Management Regulations on the Probation and Regularization of Employees of Sunac Services Group* to optimise the evaluation and regularization process of employees during the probation, and promote employee growth and progress, quick integration into the Group's culture, and adaptation to job requirements, thereby establishing long-term and stable labor relations. For new employees, the Group assigns sunshine partners to conduct one-to-one tutoring communication to help them get familiar with and integrate into the team as soon as possible. At the same time, the Group understands the ideological trends of new employees and the degree of enterprise integration through interviews, makes overall predictions on the working status of new employees, and carries out corresponding improvement measures.

The Group continues to pay attention to staff appraisal and incentives as well as training and promotion by conducting annual and process performance appraisals, special awards and punishments, etc. The Group conducts annual performance appraisals on staff using methods such as 360 performance appraisal to provide promotion and development opportunities for staff with outstanding overall performance. At the same time, the Group actively taps into the internal talents of the Company and gives priority to internal staff for more promotion opportunities.

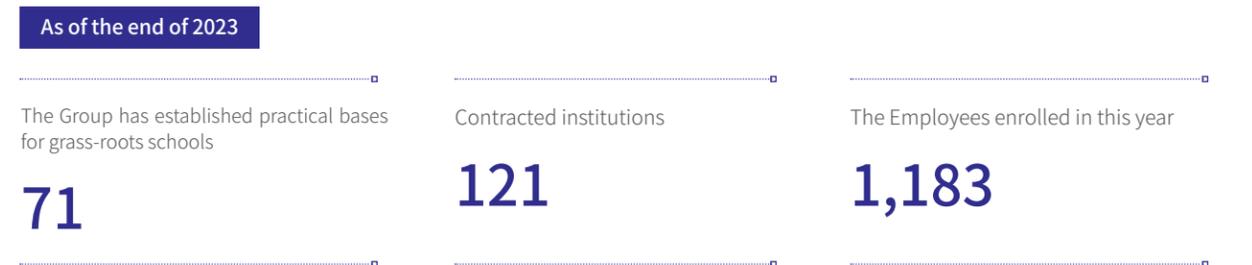
The Group has also established a system for the termination of employment of employees and has formulated corresponding operational procedures for different reasons and types of employees to protect the legitimate interests of employees and the Company during the termination process.

The Group complies with the *Law on the Protection of Women's Rights and Interests* and conscientiously implements the *Notice of the Ministry of Human Resources and Social Security on Further Standardizing Recruitment to Promote Women Employment* issued by the Ministry of Human Resources and Social Security and the *Special Provisions on the Labor Protection of Female Employees* issued by the State Council. Provisions regarding maternity leave, breast-feeding leave and other leaves for female employees are implemented strictly and the Group ensures that female employees have equal remuneration and benefits and promotion opportunities according to law.



## SCHOOL-ENTERPRISE COOPERATION

Grassroots school-enterprise cooperation is an important tool to improve the talent structure of front-line teams. The Group has established a long-term and stable supply of high-quality grass-roots staff through cooperation with universities and colleges across the country, and on the other hand, the Group has also established a nationwide grass-roots staff training base with the help of school training resources to gradually achieve full coverage of grass-roots training and full staff certification to enhance the quality of grass-roots staff.





## LABOUR STANDARDS

The Group has formulated and implemented the *Recruitment Management Regulations of Sunac Services Group* and the *Staff Onboarding Management Regulations of Sunac Services Group* to regulate the staff hiring process and strictly prohibit the employment of child labour and forced labour. The Group will verify the identity information of its employees when they join the Group to avoid the employment of child labour. The Group employs employees in accordance with the law and does not have any cases of forced labour. If suspicious situations are identified, the Group will promptly stop improper employment and labour practices, take corrective measures, provide employees with labour protection and labour conditions as required by law, compensate employees for losses caused in accordance with the law and take punitive measures against those responsible. In 2023, there were no incidents of employment of child labour or forced labour of the Group.



## REMUNERATION AND BENEFITS

### REMUNERATION AND BENEFITS OF EMPLOYEES

The Group has formulated the *Rules Governing the Remuneration of Sunac Services Group* and the *Rules Governing the Benefits of Sunac Services Group* to regulate the management of the Group's remuneration and benefits and provide a fair and reasonable remuneration and benefits system for its employees. The Group conducts regular evaluations of the remuneration of its employees and provides them with remuneration levels that are competitive in the industry.

The Group provides a wide range of employee benefits to its employees, including housing subsidies, transportation subsidies, meal subsidies, festive gifts and free medical examinations for employees. Every year, we invite professional staff to explain the medical examination reports to remind our employees to be aware of their health conditions; and in line with its management status, the Group has supplemented the "Employee Employer's Liability Insurance" in addition to full social security coverage.

### EMPLOYEE SHARE INCENTIVE SCHEME

In accordance with the share incentive scheme adopted by Sunac Shine in June 2021, we award share incentives to deserving employees in acknowledgment of their exceptional contributions to the sustainable growth of the organization. The Group is dedicated to offering employees the opportunity to possess equity stakes in the Company to establish mutual interest and boost their motivation. The awarded shares available for grant under the scheme are held by Sunac Shine on trust in accordance with the Trust Deed until such shares are vested and transferred to the relevant eligible employees in accordance with the rules of the scheme.

The share incentive scheme sets annual performance assessments and other indicators as vesting conditions, and if employees fail to meet the vesting conditions, the corresponding shares would be forfeited. As of the end of 2023, a total of 34,931,000 shares were awarded to selected eligible persons under the scheme, of which 7,137,000 shares were awarded to the Directors of the Company.

As of the end of 2023

Shares granted to selected eligible persons under the share award scheme

**34,931,000** shares

## STAFF CARE AND STAFF ACTIVITIES

The Group arranges various staff activities, including talent competitions, birthday celebrations, outward bound, club gatherings, and Thanksgiving Day festivities to enhance the employees' experiences and cultivate a positive work environment. Additionally, the Company sustains employee clubs to facilitate the formation of interest groups for daily interaction based on individual hobbies. By organizing activities like soccer, basketball, Pilates, flower arrangements, and book clubs, the Company protects the physical and mental health of its employees. In 2023, The Group has organised over 20,000 employee activities.



Staff Talent Activity



Outward Bound in Spring

Throughout 2023, under the leadership of the Group's Head Office, the Group launched thematic activities such as Health Month, Labour Month, Party Building Month and Thanksgiving Month, and organised various staff activities during various important festivals to enhance the organizational atmosphere and employees' sense of belonging by various way and high frequency.



Party-building Activity



Festivals



## EMPLOYEES HEALTH AND SAFETY

The Group conducts external and internal audits annually to safeguard the healthy and compliant operation of the business. In 2023, we have completed the annual follow-up audit of ISO 45001 covering the scope of property management services business operations, and identified and assessed the occupational health and safety risks of the Group. We regularly organise the identification and analysis of risk sources, sets up the post of risk assessment specialist, and regularly identify and control the potential risks of various types of work and operation sites. The Group established relevant safety correction and rectification verification mechanisms. The risk assessment specialist would report to the audit and supervision department for important risk matters identified. The Audit and Supervision Department follows up on the rectification status to ensure that various risk issues are effectively controlled and regularly reports the rectification results and relevant measures to the Board of Directors and the Audit Committee on a topical basis.

In respect of on-site operation safety management, the Group adopts "safe operation" as the first safety operation management guideline. We continuously improve the *Engineering Maintenance Safety Operation Management Code* to follow up on the implementation of the safety production requirements in the code to ensure the effectiveness of onsite operation safety on the ground. We provide necessary labour protection to its staff, require engineering staff to be licensed to work, and conduct regular training for specialised operators. The Group also works with all regions to regularly inspect the implementation of the management code for each project, and evaluate the healthiness of the occupational safety operation of the projects.

The Group attaches great importance to the occupational health and safety of third-party outsourced personnel, formulates the *Engineering Maintenance Safety Operation Management Code* as the basis of the system, and actively implements the production safety requirements in the code. The Group requires suppliers to take out personal insurance and third-party liability insurance for its employees in the contract, and conduct specialised medical check-ups and competency assessments for over-age employees; we organise occupational safety education for its employees, including training on the use of labour protective equipment and work safety, with training records supervised and maintained by the person in charge of the professional line of the project. The Group requires full implementation of "employer's liability insurance coverage, annual health checkups" to protect the health of its employees. We also provide staff care for high temperature and extreme cold weather according to the hot and cold weather conditions, equip outsourced personnel with labour protection gear and require engineering operators to carry out equipment maintenance activities in accordance with the requirements of safe operation. For each region, the Group requires them to regularly inspect the implementation of the management code for each project, evaluate the safety and health performance of each project, and conduct monthly evaluations on the quality of service and compliance with health and safety requirements by third-party outsourced personnel.




## COMMUNICATION AND EXCHANGE

The Group is committed to protecting the legitimate rights of its employees and their freedom of expression, providing them with smooth communication channels. We strictly implement the *Diversity and Inclusion Policy of Sunac* and respect their rights, including the freedom to associate, participate in trade unions and attend staff meetings, in accordance with the law. The Group opens up various communication channels for its employees and creates a simple, direct and transparent communication atmosphere. The Group opens up communication channels and listens to its employees. In order to better listen to the voices of its employees and understand their true feelings, the Group provides its employees with multi-channel communication platforms and opportunities to communicate with each other. We organise various activities on a regular basis to listen to employees' voices and improve them, and protect employees' right to communicate with the management regarding the working environment, operational or management issues, suggestions and opinions, etc. in the exercise of their legitimate rights.

For the management trainees of Sunac, the Group matches each fresh graduate with three mentors to support their growth in terms of corporate culture, basic business and growth planning. Regular communication and exchange activities, such as discussion meetings and quarterly training sessions, are held to help the fresh graduates understand the corporate culture and clear up any confusion in their career development. Through the survey, we understand the real demands of the group and use 1 to 1 communication and job rotation to allocate resources to solve fresh graduates' problems. At the same time, the Group regularly conducts quarterly surveys on the satisfaction level of fresh graduate on a quarterly.

In order to motivate employees to take the initiative to communicate, dig deeper into their suggestions and aspirations and solve their problems in a timely manner, the Group aims to "listen to the voices of the grassroots, stay close to the front-line and care for the employees". We have created a smooth communication channel between employees, the Company and management. The Group continues to maintain close communication with employees at all levels through daily activities such as organizing management's visits to the front line and face-to-face interviews.

In 2023, the Group organised a series of multi-dimensional employee satisfaction surveys on frontline projects to understand employees' perceived satisfaction in terms of accommodation, food, activities and welfare, and to solve problems based on the survey results, in order to enhance the employees' working experience.

This year

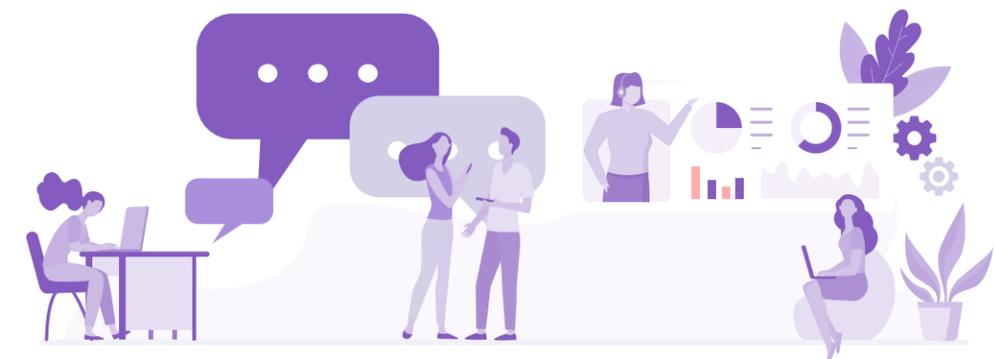
Employee satisfaction survey coverage rate

100%

Fresh graduate satisfaction

94%

The Group follows the requirements of the International Labour Organization's core conventions on labour rights protection and has established trade unions to better protect the legitimate rights and interests of employees. We seek to establish a harmonious and stable employment relationship and promote the common development of employees and the Group. In 2023, the Group's trade unions organised various activities such as festive celebrations, summer refreshments, and employee care and sympathy.





# TRAINING AND DEVELOPMENT

The Group attaches great importance to the growth and development of employees and has established a diversified talent training system. Based on the needs of our employees at different levels and in different positions, we prepare training courses in a targeted manner and carry out training in various forms such as online learning platforms, offline training courses, training camps and skill competitions, aiming to guide our employees to excite their potential through training, improve their working skills and comprehensive capability, and promote their personal career development. In 2023, the Group conducted more than 1,700 employee training and all the employees of the Group have received proper training, details of which are set out in "Appendix: Key Performance Indicators" in this report.

The Group established the "Sunac Academy" in 2018 with the aim of empowering talent, promoting culture and guiding innovation, and a view to establishing a mechanism for supplying and nurturing talents, promoting organizational reforms, establishing industry standards and building partnerships, thus achieving a win-win situation and mutual growth for both the Company and our employees. Sunac Academy has several branches underneath to meet the needs for the development of our employees at different levels and stages and to achieve the goal of nurturing talents in a comprehensive and multi-dimensional manner.



Among those branches,

- The Leadership Branch focuses on leadership empowerment of management and core succession echelons, and incorporates project manager training into the full cycle of training to enhance the multi-dimensional management capabilities of junior management staff;
- The Professional Power Branch focus on comprehensively enhancing the professional skills of staff and the work skills of junior staff, and developing the Group's professional talents in the areas of residential, non-residential, investment expansion, life services and grassroots security, customer services and environmental engineering;
- The Sunac Management Trainee Branch focuses on the cultivation of comprehensive abilities of fresh graduates and the preparation of future management talents for the Group;
- The Digital Teaching Branch focuses on the establishment of OMO-style teaching model and coordinating the construction and operation of the Group's online learning platform;
- The Culture Branch focuses on helping new employees blend into and the promotion of our corporate culture; and the Operation Center focuses on vocational skills certification and grass-roots staff training and the construction and development of internal trainer team.



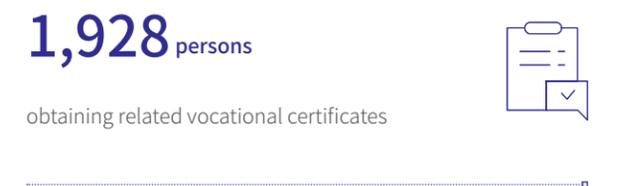
## RONG XUE YUN ( 融學雲 )

In 2022, the Group established an independent online learning platform known as "Rong Xue Yun ( 融學雲 )", aiming to accelerate the construction of the Group's talent development system by technological means. On the one hand, the Platform has optimised the online functions such as "test, learning, practice, examination, and evaluation" to consolidate the knowledge, the courses and examinations at each stage and facilitate the accomplishment of the whole training process; on the other hand, it distilled the knowledge of each professional segment and linked it to the external industry resources to create a comprehensive knowledge sharing center where our employees can find with ease what they want to learn according to their own needs.



## OCCUPATIONAL SKILLS CERTIFICATION

In order to improve the quality of our services, enhance the comprehensive service ability of front-line guest personnel, meet the increasing service needs of owners, thoroughly implement the spirit of the *14th Five-Year Plan for Vocational Skills Training* and improve the enterprise vocational skills training system, the Group carried out vocational skill level identification work throughout the Group In 2023.



In 2023, some of the Group's key training projects are as follows:

**Xingyao Program (星耀計劃)**

"Xingyao Program" consists of a series of training programs for the Group's non-residential backbone personnel. The training focuses on the multi-style management mindset, standardization of non-residential operation, and process-oriented business system, etc. while striving to analyse and solve the current pain points and difficulties, so as to quickly enhance the business management ability of our non-residential officials and establish non-residential operation standards and process business system. It cultivates talents in non-residential operations and strengthens the theoretical construction of our mid-level echelon. A total of 106 non-residential officials were trained in 2023.



**Xinghuo Program (星火計劃)**

"Xinghuo Program" comprises a series of training sessions designed for the Group's residential project managers. The Group prioritises empowering and upskilling these managers, and conducted four sessions in 2023, involving a total of 414 participants. The training camp focuses on strengthening business acumen, improving operational efficiency, and enhancing management skills. Utilizing various methods such as internal lectures by industry experts, group seminars, sharing of wisdom, and direct communication with executives, the camp aims to help participants internalise key concepts, draw insights from best practices, and reinforce their confidence in overcoming challenges. These efforts lay the groundwork for the structured growth of the consolidated residential business.



**Xingchen Program (星辰計劃)**

In order to enhance the overall management proficiency of the functional head at the Sunac Service Group headquarters, taking into account the existing challenges and issues faced by these personnel, the service group has initiated "Xingchen Program", which is a management empowerment training program for functional heads. The training encompasses seven key management areas, such as transitioning from business expertise to managerial mastery, understanding the managerial role, executing performance-driven strategies, implementing value-centric mechanisms, fostering a cohesive organizational culture, adapting organizational learning strategies, and aligning communication practices with organizational behavior.



**Hongmeng Program (鴻蒙計劃)**

In a bid to significantly enhance operational and managerial proficiency among key personnel within the Sunac Service Group and address the current challenges and issues faced by these key individuals, the service group implemented "Hongmeng Program", an empowerment training program tailored specifically for key personnel in operations and management. This comprehensive training initiative aims to equip participants with advanced knowledge and skills in operational management, profit and cash flow management, and risk management pertaining to contract performance.



The Group has also formulated a training program for fresh graduates:

**Sunac Management Trainee Program (融譽生計劃)**

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

In 2023, "Sunac Management Trainee Program" saw another iteration and upgrade, with a heightened focus on integrating theoretical knowledge and practical application for recent graduates. The program aims to guide Sunac management trainees towards frontline exposure, nurturing talents of high quality and potential who are attuned to the nuances of frontline operations. Throughout the 18-month development period, four rounds of talent identification were conducted. The training placed greater emphasis on identifying high-potential individuals through pivotal experiences, enabling students to immerse themselves in frontline activities, to cultivate well-rounded management professionals with a deep understanding of frontline operations, business acumen, and systematic thinking. "Yucheng Program" focuses on professional depth, with 2 months of post rotation to help the trainees patch up their business thinking and foster backbone talents of great professionalism through 1 year of on-the-job training. At the same time, the Group has carried out competitive recruitment and accelerated training for the previous Sunac management trainees, giving them more and faster growth opportunities and a stage for display.



The Group initiated training activities on corporate culture development:

**Qianfan Program (千帆計劃)**

"Qianfan Program" is a series of training programs designed for new employees to speed up their blending into our corporate culture, including induction training, Sunshine Partners, online and offline communication, etc., aiming to help them quickly understand our corporate culture, blend into the Company smoothly and accelerate the transformation of their roles.



**Various themed cultural activities**

In 2023, the Group rolled out various cultural activities with a focus placed on carrying out cultural knowledge PK contests, the promotion of our corporate culture by key people and the selection of service stars to foster an atmosphere where everyone is interested in and aware of our culture, so as to enhance the correct understanding and recognition of our culture by all our employees; we also strove to strengthen the influence of our culture through activities such as photography contest and telling stories about the 100 flags.





# HARMONIOUS COMMUNITY AND WARM SOCIETY



- PARTY BUILDING
- COMMUNITY BUILDING
- COMMUNITY ACTIVITIES
- PUBLIC WELFARE SERVICES AND PUBLIC WELFARE CO-CONSTRUCTION





## PARTY BUILDING

Since the successful convening of the 20th National Congress of the Communist Party of China, the deepening of party building has resulted in the expanded organizational power, influence, and appeal of the Party at the grassroots level. This has further showcased the public welfare attributes and social values of property service enterprises. Community properties and residents are progressively embracing value sharing and organic integration, fostering a favorable environment of multi-party governance and collaborative development.

Within the framework of "party building" and the core principle of "governance innovation", the Group has actively advanced the establishment of a tripartite partnership involving owners, property managers, and local authorities. This initiative aims to establish a direct connection between the Party and the residents through the "connected bridge", and explore a novel pathway for grassroots social governance innovation under the guidance of Party leadership.

### DELIVERING THE PARTY'S SPIRIT AND INHERITING PARTY'S IMPACTS

The Party Branch at the Beijing Branch of the Group visited the Red Building of Peking University on July 17th. Constructed in 1918, the Red Building holds significant historical importance in modern Chinese history, serving as a pivotal site where prominent figures such as Li Dazhou, Chen Duxiu, and Mao Zedong initially propagated Marxist ideologies and principles of democracy and science. It stands as a seminal location for the development of red culture in China, serving as the epicenter of the New Culture Movement and the cradle of the May Fourth Movement. During the visit, party members immersed themselves in the revolutionary activities that marked the genesis of the Communist Party of China, engaging with historical artifacts, periodicals, and other archival materials. Concluding the tour, under the guidance of the branch secretary, the party members solemnly reaffirmed their commitment to the Party, rekindling their dedication to the Party's founding principles and mission.



### HEARTWARMING ACTION, ESTABLISHING A FIRM SERVICE CONCEPT

In order to invigorate grassroots activism, enhance party-building leadership, fortify the foundation of the "red property", perpetuate the ethos of red culture, and empower the "red property" to effectively serve homeowners and the community, the Group has collaborated with community volunteers to target the park's distinct demographic composition, including a sizable elderly and solitary elderly population. This initiative, known as the "Heartwarming Action", was unveiled in July. This program involved organizing gatherings at the property center for the elderly to engage in culinary activities, handicraft workshops, and educational sessions. Moreover, the Group coordinated with local medical facilities to offer complimentary health check-ups for the elderly and conducted informative public health lectures within community events. Throughout these activities, staff members accompanied the elderly, sharing anecdotes and creating joyful moments together, thereby fostering a personalised service approach that has now become synonymous with the warmth of the property's party-building efforts. This not only cultivated mutual camaraderie but also enriched the cultural experiences of community residents.



### JOINT DEVELOPMENT AND GOVERNANCE WITH DIVERSIFIED FORCE, CONSOLIDATING THE SYNERGY

Yinzhu Street in Lingshan Bay Community, Qingdao in collaboration with the Group's employees, initiated the "Community Working Party Members Campaign: Clean Home, Concentrated Environmental Hygiene Cleanup" at the Rong Chen project of Sunac Center. Party members formed a unified front to revitalise the park through a comprehensive cleanup effort. This encompassed the removal of litter from the main thoroughfare, the elimination of stains in public spaces, and the clearing of debris from the underground parking lot, collectively revitalizing the park's appearance. The integration of the community and property management forged a synergistic party-building model emphasizing organizational collaboration and service implementation, invigorating holistic party-building endeavors and enhancing the standards of community management services.



### ACTIVATING PARTY SPIRIT WITH COLORFUL ACTIVITY

To advance the ongoing initiative of "Remain True to our Original Aspiration and Keep our Mission Firmly in Mind, and Embodying the Spirit of the 20th CPC National Congress", and to further ignite the patriotic zeal within the district's residents while fostering a sense of national pride, numerous collaborative projects between the Group and the district streets have been undertaken to screen red-themed films for the local residents. The cinematic portrayal of historical upheavals reignited collective memories, showcasing the valor and unwavering determination of revolutionary martyrs who faced formidable challenges. This poignant experience underscored the imperative to commemorate the hardships of the past and embrace the present era with a sense of duty, striving to cultivate a brighter and more joyous contemporary existence. Through these initiatives, the transmission of red heritage and revolutionary fervor across successive generations is ensured.





## COMMUNITY BUILDING

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

### SUN-DAY Super Experience Day

The Group orchestrates an array of experiential activities to nurture a welcoming and convivial community ambiance. Tailoring experiences to accommodate regional cultural nuances, the Group curates distinctive activities imbued with local charm across different cities. This approach encourages homeowners to partake in a medley of engaging projects, leveraging their unique talents to showcase their prowess and charm to a broader audience, thereby fostering a culture of sharing enthusiasm.

The SUN-DAY Super Experience Day is a hallmark community event hosted by the Group for three consecutive years. The SUN-DAY Super Experience Day in 2023, with a slogan of "Super Interesting", encompassed 25 cities nationwide, featuring over 136 projects and engaging 100,000 homeowners, garnering coverage in more than 100 media reports.

This event adeptly connects merchants, property owners, and business resources while seamlessly integrating community and social activities. Participants indulged in a spectrum of offerings, including captivating performances, interactive games, shopping for coveted goods, embracing traditional culture, witnessing skill demonstrations, and experiencing convenient services. Through these activities, homeowners immerse themselves in the diverse service and product range of Sunac, endorsed by the philosophy of embracing a joyful lifestyle.

Encompassed cities nationwide

25

Featuring and engaging projects over

136

Engaging homeowners more than

100,000



Community Market: We are Working on Stalls



Find the city's Characteristics: Interactive Experience



Talent Show: Sharing What You Loved





# COMMUNITY ACTIVITIES

Clubs of Sunac Services were renewed in 2023, and the "i Sunny" clubs were promoted in communities managed by the Group across the country. With the concept of "rebuilding neighbouring relationships, meeting intimate friends" (「重塑鄰里關係，邂逅人生知己」) and the Sunac community culture of "happy childhood, colourful senior years, zealous prime" (「幼有所樂，老有所頤，青年有熱愛」), the Group cultivated diversified clubs for residents and their families of different ages and hobbies, built the emotional resonance and advanced the common development of cultural governance of both the property service enterprise and the communities. The Group built 114 clubs in the communities under its management across the country, which covered more than 20 hobbies of different ages.

As of the end of 2023

The homeowners joined "i Sunny" as club members

**30,194**



## Children Groups



Hangzhou Little Fish Children's Choir



Ningbo Creative Parent-Child Community



Beijing Happiness Parent-Child Community



Hefei Trendy Parent-Child Community



Xi'an Creative Dream Parent-Child Community



Nanning Fun Art Painting and Calligraphy Community

## Youth Groups



Basketball Clubs by region



Yoga Community in Hefei and Nanning



Tianjin Jingtoushuo Photography Community



Kunming Qianmo Florist community



Chongqing Pet Owner Community



Nanning Jiushang Table Tennis Community

## Middle-aged and Elderly Groups



Chongqing Evergreen



Xuzhou Dancing New Century Community



Baixiang Street Art Community



Tianjin Quyi Chorus



Shanghai Style Dance Club



Ningbo Older-Caring Community

## "i Sunny" Basketball Competition

In 2023, i Sunny Basketball Competition took place across 26 cities, featuring both adult events and children's events. The competition attracted 1,336 teams and over 9,500 participants, marking a substantial 4.75-fold surge from the previous year. Furthermore, the live streaming viewership soared to 56,000, nearly seven times higher than 2022.



## Homeowners' Talent Show

In 2023, the Homeowners' Talent Show spanned 43 cities with the engagement of more than 35,000 talented homeowners. A total of 368 entries were submitted for consideration online and 9 grand cultural events were conducted offline.



## PUBLIC WELFARE SERVICES AND PUBLIC WELFARE CO-CONSTRUCTION

In 2023, the Group's public welfare segment introduced the pioneering "2+2" model for community public welfare culture development, comprising "community public welfare services for the benefit of property owners" and "social public welfare services with property owners". This initiative aims to cultivate a culture of collaborative public welfare within the community, encouraging a broader engagement of property owners in fostering social benefits and realizing the ethos of "public welfare and co-management". The adoption of this model signifies a proactive step towards establishing a culture of co-constructed public welfare within the community. This endeavor demonstrates the Group's commitment to systematically enhancing the public welfare system's construction and impact, marking the transition from a model focused solely on serving individual owners to one centered on community-wide public welfare collaboration, where owners assume roles as both recipients and contributors to public welfare.

Since its establishment, the Group has been actively engaged in public welfare activities in various areas such as education, rural revitalisation, urban co-development and care for the disabled.

### Public Welfare Services

In 2023, the Group carried out 202 charity activities such as volunteering, free clinics, and visits.



## Rongyou Future

The "Rongyou Future" public welfare project introduced by the Group has been active for three years since 2021. It has facilitated a total of 138 activities in 16 cities nationwide, engaging over 6,800 families and benefiting 106,000 homeowners. In 2023, the project conducted 55 activities in 11 communities across 10 cities, impacting 2,291 families and reaching 41,000 individuals in the community. This project aimed to investigate the tripartite co-construction framework involving the government, property managers, and property owners. The "Little Sunac Volunteer Service Team" enlisted 628 young volunteers and the "White Paper on Cultivation of Safety Culture in the Community" was implemented.



## Rongle Classroom

Free community classrooms are held for homeowners to popularize legal knowledge, fraud prevention for the elderly, youth mental health, skills and techniques, and other classes. By connecting with community streets and working with third party organizations to build community culture, we meet the diversified needs of homeowners and improve their knowledge, skills and cultural literacy; through the community classroom, we enhance the interaction and communication among homeowners, cultivate a sense of belonging and cohesion, and enhance the community's cultural atmosphere.



## PUBLIC WELFARE CO-CONSTRUCTION

Jointly practicing public welfare actions with homeowners who are the purveyor of public welfare evangelists to cultivate the awareness of public welfare.

### Rongxin Clothes Recycling

Focusing on homeowners' daily lives, the campaign taps into the public welfare in the communities to address the problem of used clothes disposal for families, and works with professional environmental recycling platforms for used clothes recycling. In the past 4 months, the campaign has covered more than 100 projects in 9 regions, recovered 3,103.48 kg of used clothes, and planted 413 square meters of pike saplings.



### Sunac Spring Buds

The "Sunac Spring Buds" public welfare project launched by the Group, which was formed to appeal to homeowners to raise money for girls in distress, better spreads the public good widely. The project facilitated 3,156 instances of fundraising over the past four months, accumulating a total of RMB37,260. Moreover, the project successfully supported 19 girls in need from the Nationalities High School in Wuding County, Chuxiong Prefecture, Yunnan Province, and Lin'an High School in Jianshui County, Honghe Prefecture. Subsequently, the project organised offline visits to effectively publicize the narratives of public welfare.



## APPENDIX: KEY PERFORMANCE INDICATORS

### KEY PERFORMANCE INDICATORS ON EMPLOYMENT

Indicator		Data
Total workforce		26,795
Workforce by employment type	Employee under labour contract	26,213
	Employee not under labour contract	582
Workforce by gender <sup>1</sup>	Male	15,483
	Female	10,730
Workforce by age group <sup>1</sup>	30 and below	8,353
	31 to 50	15,482
	50 and above	2,378
Workforce by geographical region <sup>1</sup>	Mainland China	26,213
	Hong Kong, Macau and Taiwan	0
	Other countries and regions	0
Employee turnover rate <sup>1</sup>		36.64%
Employee turnover rate by gender	Male	37.00%
	Female	36.11%
Employee turnover rate by age group	30 and below	48.60%
	31 to 50	30.24%
	50 and above	18.76%
Employee turnover rate by geographical region	Mainland China	36.64%
	Hong Kong, Macau and Taiwan	0.00%
	Other countries and regions	0.00%

### KEY PERFORMANCE INDICATORS ON HEALTH AND SAFETY

Indicator	2023	2022	2021
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (%)	0.000%	0.000%	0.000%

The lost days due to work injury in 2023 were 194 days.

<sup>1</sup>Categorised on the basis of employees under labour contract

### KEY PERFORMANCE INDICATORS ON EMPLOYEE TRAINING

Indicator		Data
Percentage of employees trained by gender	Male	100%
	Female	100%
Percentage of employees trained by management level	Senior management	100%
	Middle management	100%
	General staff	100%
Average training hours completed per employee by gender	Male	88.85
	Female	85.47
Average training hours completed per employee by management level	Senior management	48.83
	Middle management	90.84
	General staff	86.63

### KEY PERFORMANCE INDICATORS ON EMISSIONS<sup>1</sup>

Indicator	Unit	Performance
Total Greenhouse Gas (GHG) emissions (Scope 1 and Scope 2) <sup>2, 3</sup>	Tonnes	457,327.04
GHG emissions (Scope 1)	Tonnes	1,216.43
GHG emissions (Scope 2)	Tonnes	456,110.61
Intensity of GHG emissions (Scope 1 and Scope 2)	Tonnes/sq.m. <sup>4</sup>	0.002
Hazardous wastes <sup>5</sup>	Tonnes	2.63
Intensity of hazardous wastes	Kg/sq.m.	0.000
Non-hazardous wastes <sup>6</sup>	Tonnes	1,316.91
Intensity of non-hazardous wastes	Kg/sq.m.	0.005

<sup>1</sup>Based on the nature of the Group's business, gas emissions are mainly GHG emissions generated from the use of fossil fuel-converted electricity and fuels

<sup>2</sup>The Group's GHG inventory mainly includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in CO2 equivalent and is calculated in accordance with the Chinese Regional Power Grid Baseline Emission Factors for 2012 Emission Reduction Projects (《2012 年度減排項目中國區域電網基線排放因子》) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (Revised in 2019) (《IPCC 2006 國家溫室氣體列表指南 2019 修訂版》)

<sup>3</sup>GHG Scope 1: covering the GHG emissions directly generated from the Group's operation; GHG Scope 2: GHG emissions (indirect energy) from the Group's consumption of electricity

<sup>4</sup>Areas under management of the Group as at 31 December 2023

<sup>5</sup>Hazardous wastes mainly include waste ink cartridges, carbon powder, toner cartridges, electronic waste and waste batteries produced in office activities and project operation and maintenance

<sup>6</sup>Non-hazardous wastes mainly include office wastes, household wastes, kitchen wastes and construction wastes produced in office activities and project operation and maintenance

## KEY PERFORMANCE INDICATORS ON USE OF RESOURCES

Indicator	Unit	Performance
Total comprehensive energy consumption <sup>7</sup>	MWh	805,182.00
Intensity of comprehensive energy consumption	MWh/sq.m.	0.003
Direct energy consumption <sup>7</sup>	MWh	5,408.88
Gasoline	MWh	1,271.93
Diesel	MWh	838.28
LPG	MWh	303.67
Natural gas	MWh	2,995.00
Indirect energy consumption <sup>7</sup>	MWh	799,773.12
Purchased electricity	MWh	799,773.12
Water consumption	Tonnes	17,231,025.84
Intensity of water consumption	Tonnes/sq.m.	0.063

## NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION

Geographical region	Number of suppliers
Mainland China	5,488
Hong Kong, Macau and Taiwan	12
Other countries and regions	1

The number of suppliers represents the number of suppliers that have signed cooperation contracts with the Group in the past two year.

<sup>7</sup>Total comprehensive energy consumption is derived from direct and indirect energy consumption based on the conversion factors as set out in the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020)

## INDEX OF THE ESG REPORTING GUIDE OF THE STOCK EXCHANGE

Area	Issue	Disclosure requirements	Chapter
Governance Structure	-	A statement from the board containing the following elements: (1) a disclosure of the board's oversight of ESG issues; (2) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (3) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	THE BOARD'S STATEMENT
Reporting Principles	-	A description of, or an explanation on, the application of the following reporting principles in the preparation of the ESG report: <b>Materiality:</b> The ESG report shall disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. <b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. <b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	ABOUT THE REPORT
Reporting Boundary	-	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	ABOUT THE REPORT
Environmental	A1 Emissions	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	EMISSIONS MANAGEMENT APPENDIX: KEY PERFORMANCE INDICATORS
		A1.1 The types of emissions and respective emissions data.	APPENDIX: KEY PERFORMANCE INDICATORS
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX: KEY PERFORMANCE INDICATORS
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX: KEY PERFORMANCE INDICATORS
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX: KEY PERFORMANCE INDICATORS

Area	Issue	Disclosure requirements	Chapter
Environmental	A1 Emissions	A1.5 Description of emission target(s) set and steps taken to achieve them.	ENVIRONMENTAL GOALS
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENTAL GOALS
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	USE OF RESOURCES
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	APPENDIX: KEY PERFORMANCE INDICATORS
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	APPENDIX: KEY PERFORMANCE INDICATORS
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL GOALS
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	USE OF RESOURCES
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to consumption per unit of production volume.	Not applicable	
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	BIODIVERSITY PROTECTION
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	USE OF RESOURCES EMISSIONS MANAGEMENT BIODIVERSITY PROTECTION
A4 Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have affected, and those which may affect, the issuer.	CLIMATE CHANGE	
	A4.1 Description of the significant climate-related issues which have affected, and those which may affect, the issuer, and the actions taken to manage them.	CLIMATE CHANGE	
Social	B1 Employment	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	EMPLOYMENT AND PROMOTION REMUNERATION AND BENEFITS
		B1.1 Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	APPENDIX: KEY PERFORMANCE INDICATORS
		B1.2 Employee turnover rate by gender, age group and geographical region.	APPENDIX: KEY PERFORMANCE INDICATORS

Area	Issue	Disclosure requirements	Chapter
Social	B2 Health and Safety	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	EMPLOYEES HEALTH AND SAFETY
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	APPENDIX: KEY PERFORMANCE INDICATORS
		B2.2 Lost days due to work injury.	APPENDIX: KEY PERFORMANCE INDICATORS
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	EMPLOYEES HEALTH AND SAFETY
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	TRAINING AND DEVELOPMENT
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX: KEY PERFORMANCE INDICATORS
		B3.2 The average training hours completed per employee by gender and employee category.	APPENDIX: KEY PERFORMANCE INDICATORS
	B4 Labour Standards	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	EMPLOYMENT AND PROMOTION
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	EMPLOYMENT AND PROMOTION
		B4.2 Description of steps taken to eliminate such practices when discovered.	EMPLOYMENT AND PROMOTION
General Disclosure: Policies on managing environmental and social risks of the supply chain.		SUPPLIER MANAGEMENT	
B5 Supply Chain Management	B5.1 Number of suppliers by geographical region.	APPENDIX: KEY PERFORMANCE INDICATORS	
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SUPPLIER MANAGEMENT	
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUPPLIER MANAGEMENT	
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUPPLIER MANAGEMENT	

Area	Issue	Disclosure requirements	Chapter
Social	B6 Product Responsibility	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	INTELLECTUAL PROPERTY PROTECTION PUBLICITY AND ADVERTISING MANAGEMENT PRODUCT QUALITY SAFETY MANAGEMENT CUSTOMER PRIVACY PROTECTION
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
		B6.2 Number of product – and service-related complaints received and how they are dealt with.	PRODUCT QUALITY
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	INTELLECTUAL PROPERTY PROTECTION
		B6.4 Description of quality assurance process and recall procedures.	PRODUCT QUALITY
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	CUSTOMER PRIVACY PROTECTION
		B7 Anticorruption	General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		INTEGRITY OPERATION
	B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.		INTEGRITY OPERATION
	B7.3 Description of anti-corruption training provided to directors and staff.		INTEGRITY OPERATION
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	HARMONIOUS COMMUNITY AND WARM SOCIETY
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	HARMONIOUS COMMUNITY AND WARM SOCIETY
		B8.2 Resources contributed (e.g. money or time) to the focus area.	HARMONIOUS COMMUNITY AND WARM SOCIETY

## GRI CONTENT INDEX

Instructions:	Sunac Services Holdings Limited prepared its reports with reference to GRI standards for the period from 1 January 2023 to 31 December 2023.			
GRI1	Foundation 2021			
GRI Standards		Disclosure Issues	Chapter	
1. The Organisation and its Reporting Practices	2-1	Organisational details	ABOUT THE COMPANY	
	2-2	Entities included in the organisation's sustainability reporting	ABOUT THE REPORT	
	2-3	Reporting period, frequency and contact Point	ABOUT THE REPORT	
2. Activities and Workers	2-6	Activities, value chain and other business relationships	ABOUT THE COMPANY	
	2-7	Employees	PUTTING PEOPLE FIRST, CO-COMMITMENT AND CO-ACHIEVEMENT	
3. Governance	2-9	Governance structure and composition	CORPORATE GOVERNANCE	
	2-10	Nomination and selection of the highest governance body	CORPORATE GOVERNANCE	
	2-11	Chair of the highest governance body	CORPORATE GOVERNANCE	
	2-12	Role of the highest governance body in overseeing the management of impacts	CORPORATE GOVERNANCE RISK MANAGEMENT AND INTERNAL CONTROL	
	2-13	Delegation of responsibility for managing impacts	THE BOARD'S STATEMENT CORPORATE GOVERNANCE	
	2-14	Role of the highest governance body in sustainability reporting	THE BOARD'S STATEMENT	
	2-16	Communication of critical concerns	STAKEHOLDER COMMUNICATION MATERIALITY ISSUE ASSESSMENT	
	2-17	Communication of critical concerns	THE BOARD'S STATEMENT CORPORATE GOVERNANCE	
	4. Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	ABOUT THE REPORT THE BOARD'S STATEMENT
		2-23	Policy commitments	COMMUNICATION AND EXCHANGE
2-25		Processes to remediate negative impacts	LABOR STANDARDS	
5. Stakeholder Engagement	2-27	Compliance with laws and regulations	STANDARD GOVERNANCE AND COMPLIANT OPERATIONS	
	2-29	Approach to stakeholder engagement	STAKEHOLDER COMMUNICATION	
	2-30	Collective bargaining agreements	COMMUNICATION	
	3-1	Process to determine material topics	STAKEHOLDER COMMUNICATION	
	3-2	List of material topics	MATERIALITY ISSUE ASSESSMENT	
3-3	Management of material topics	MATERIALITY ISSUE ASSESSMENT		

GRI Standards	Disclosure Issues		Chapter
GRI 201: Economic Performance			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Economic performance management methods		ABOUT THE COMPANY
Topic-specific disclosure	201-1	Direct economic value generated and distributed	ABOUT THE COMPANY
	201-2	Financial impacts and other risks and opportunities of climate change	CLIMATE CHANGE
GRI203: Indirect Economic Impact			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for indirect economic impact		COMMUNITY SERVICE AND PUBLIC WELFARE
Topic-specific disclosure	203-1	Infrastructure investment and supporting services	COMMUNITY SERVICE AND PUBLIC WELFARE
GRI 204: Procurement Practices			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for procurement practices		SUPPLIER MANAGEMENT
GRI 205: Anti-corruption			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for anti-corruption		INTEGRITY OPERATION
Topic-specific disclosure	205-2	Communication and training on anti-corruption policies and procedures	INTEGRITY OPERATION
	205-3	Confirmed incidents of corruption and actions taken	INTEGRITY OPERATION
GRI 302: Energy			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for energy		USE OF RESOURCES
Topic-specific disclosure	302-1	Energy consumption within the organization	APPENDIX: KEY PERFORMANCE INDICATORS
	302-3	Energy intensity	APPENDIX: KEY PERFORMANCE INDICATORS
	302-4	Reduce energy consumption	USE OF RESOURCES
GRI 303: Water and Effluents			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	303-1	Interactions with water as a shared resource	USE OF RESOURCES
	303-2	Management of water discharge-related impacts	USE OF RESOURCES
Topic-specific disclosure	303-5	Water consumption	APPENDIX: KEY PERFORMANCE INDICATORS
GRI 304: Biodiversity			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for biodiversity		BIODIVERSITY PROTECTION
Topic-specific disclosure	304-2	Significant impacts of activities, products and services on biodiversity	BIODIVERSITY PROTECTION
GRI 305: Emissions			

GRI Standards	Disclosure Issues		Chapter
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for emissions		EMISSIONS MANAGEMENT
Topic-specific disclosure	305-1	Direct (Scope 1) GHG emissions	APPENDIX: KEY PERFORMANCE INDICATORS
	305-2	Energy indirect (Scope 2) GHG emissions	APPENDIX: KEY PERFORMANCE INDICATORS
	305-4	GHG emissions intensity	APPENDIX: KEY PERFORMANCE INDICATORS
GRI 306: Waste			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	306-1	Waste generation and significant wasterelated impacts	EMISSIONS MANAGEMENT
	306-2	Management of significant waste-related impacts	EMISSIONS MANAGEMENT
Topic-specific disclosure	306-3	Waste generated	APPENDIX: KEY PERFORMANCE INDICATORS
GRI 307: Environmental Compliance			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for environmental compliance		ENVIRONMENTAL PROTECTION AND GREEN OPERATION
GRI 308: Supplier Environmental Assessment			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for supplier environmental assessment		SUPPLIER MANAGEMENT
Topic-specific disclosure	308-1	New suppliers that were screened using environmental criteria	SUPPLIER MANAGEMENT
	308-2	Negative impacts of the supply chain on the environment and actions taken	SUPPLIER MANAGEMENT
GRI 401: Employment			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for employment		PUTTING PEOPLE FIRST, CO-COMMITMENT AND CO-ACHIEVEMENT
Topic-specific disclosure	401-1	New employee hires and employment turnover	APPENDIX: KEY PERFORMANCE INDICATORS
	401-2	Benefits provided to full-time employees (excluding temporary or parttime employees)	REMUNERATION AND BENEFITS
GRI 403: Occupational Health and Safety			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	403-1	Occupational health and safety management system	EMPLOYEES HEALTH AND SAFETY
	403-2	Hazard identification, risk assessment and incident investigation	EMPLOYEES HEALTH AND SAFETY
	403-5	Worker training on occupational health and safety	EMPLOYEES HEALTH AND SAFETY
	403-6	Promotion of worker health	EMPLOYEES HEALTH AND SAFETY
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	EMPLOYEES HEALTH AND SAFETY

GRI Standards	Disclosure Issues		Chapter
Topic-specific disclosure	403-8	Workers covered by an occupational health and safety management system	EMPLOYEES HEALTH AND SAFETY
	403-9	Work-related injuries	APPENDIX: KEY PERFORMANCE INDICATORS
GRI 404: Training and Education			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for training and education		TRAINING AND DEVELOPMENT
Topic-specific disclosure	404-1	Average hours of training per year per employee	APPENDIX: KEY PERFORMANCE INDICATORS
	404-2	Employee upskilling programs and overassistance programs	TRAINING AND DEVELOPMENT
GRI 405: Diversity and Equal Opportunities			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for Diversity and Equal Opportunities		EMPLOYMENT AND PROMOTION
Topic-specific disclosure	405-1	Diversity of governance bodies and employees	CORPORATE GOVERNANCE EMPLOYMENT AND PROMOTION
GRI 406: Non-discrimination			
GRI 3: Material Topics	Management methods for non-discrimination		EMPLOYMENT AND PROMOTION
Topic-specific disclosure	406-1	Incidents of discrimination and corrective actions taken	LABOR STANDARDS
GRI 407: Freedom of Association and Collective Bargaining			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for freedom of association and collective bargaining		COMMUNICATION AND EXCHANGE
GRI 408: Child Labor			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for child labor		LABOR STANDARDS
GRI 409: Forced or Compulsory Labour			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for forced or compulsory labour		LABOR STANDARDS
GRI 412: Human Rights Assessment			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for human rights assessment		COMMUNICATION AND EXCHANGE
Topic-specific disclosure	412-2	Employee training on human rights policies or procedures	COMMUNICATION AND EXCHANGE
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	EMPLOYMENT AND PROMOTION COMMUNICATION AND EXCHANGE
GRI 413: Local Communities			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for local communities		HARMONIOUS COMMUNITY AND WARM SOCIETY
Topic-specific disclosure	413-1	Operations with local community engagement, impact assessment and development plans	HARMONIOUS COMMUNITY AND WARM SOCIETY

GRI Standards	Disclosure Issues		Chapter
GRI 414: Supplier Social Assessment			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for supplier social assessment		SUPPLIER MANAGEMENT
Topic-specific disclosure	414-1	New suppliers that were screened using social criteria	SUPPLIER MANAGEMENT
GRI 416: Customer Health and Safety			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for customer health and safety		SAFETY MANAGEMENT
Topic-specific disclosure	416-1	Assessment of health and safety impacts on product and service categories	SAFETY MANAGEMENT
GRI 417: Marketing and Identity			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for marketing and identity		PUBLICITY AND ADVERTISING MANAGEMENT
Topic-specific disclosure	417-1	Requirements for product and service information and labelling	PUBLICITY AND ADVERTISING MANAGEMENT
GRI 418: Customer Privacy			
GRI 3: DISCLOSURE OF MANAGEMENT METHODS	Management methods for customer privacy		CUSTOMER PRIVACY PROTECTION



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