

SUNac 融創中國

融創中國控股有限公司

SUNAC CHINA HOLDINGS LIMITED

STOCK CODE: 01918.HK

2024

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



CONTENTS

About This Report..... 4

About the Group..... 5

ESG Performance
Highlights for 2024..... 7

1 Compliant Operation to Fulfill Commitments through Action... 8

1.1 Corporate Governance

1.2 ESG Management

1.3 The Board's Statement

1.4 Communication with Stakeholders

1.5 Identification of Material Issues

1.6 Compliant Operation

2 Co-creating Civilization through Green Integration..... 22

2.1 Green Concept

2.2 Green Design

2.3 Green Construction

2.4 Green Operation

2.5 Climate Change

3 Creating Excellence with Craftsmanship Quality 35

- 3.1 Quality Innovation
- 3.2 Safety and Health
- 3.3 Customer-Centric Concept
- 3.4 Responsible Supply

4 Being People-Oriented to Drive Development 54

- 4.1 Talent Protection
- 4.2 Talent Cultivation
- 4.3 Employee Care

5 Empowering Co-construction of a Quality Life 60

- 5.1 Urban Development
- 5.2 Cultural Construction
- 5.3 Rewarding the Society

Key Performance Table. 67

Commitment to Sustainability 71

ESG Index. 73

Readers Feedback Form 76

About This Report

Sunac China Holdings Limited has prepared and published the 2024 Environmental, Social, and Governance (ESG) report to disclose the Group's management initiatives and performance in the environmental, social, and governance aspects during 2024.

I. Basis of Preparation

This report is prepared in accordance with the *Environmental, Social, and Governance Reporting Code* (the "ESG Code") 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"), following the principles of "materiality", "quantitative", "balance" and "consistency" as required by the Stock Exchange, and the relevant information in this report is disclosed in accordance with mandatory disclosure requirements and "comply or explain" provisions. Meanwhile, reference is made to the *Sustainability Reporting Standards* of Global Reporting Initiative ("GRI Standards") and the United Nations Sustainable Development Goals ("UNSDGs").

II. Reporting Principles

This report complies with the "materiality", "quantitative" and "consistency" principles specified in the requirements of the ESG Code. It responds to the "materiality" principle by conducting material identification on sustainability issues, and meets the "quantitative" and "consistency" principles via quantitative data list.

III. Scope of the Report

The scope of this report covers the year of 2024, from 1 January 2024 to 31 December 2024, with certain events tracing back to the previous years. The disclosure scope of this report includes the Company and its subsidiaries. The main business segments comprise real estate development, property management, ice & snow operation management, cultural tourism, and culture. For more detailed ESG disclosure content regarding property management conducted through Sunac Services Holdings Limited and its subsidiaries (the "Service Group"), please refer to the *2024 Environmental, Social and Governance Report of Sunac Services Holdings Limited*.

IV. Definitions

In this report, the "Group" refers to "Sunac China Holdings Limited and its subsidiaries", the "Company" or "Sunac China" refers to "Sunac China Holdings Limited", and "RMB" refers to "Renminbi".

V. How to Obtain This Report

The electronic version of this report can be browsed and downloaded from the Company's website (<https://www.sunac.com.cn/en/index.aspx>) and the website of the Stock Exchange (www.hkexnews.hk).

VI. Feedback

The ESG Report is committed to responding to issues which key stakeholders consider important. For any query or suggestion on the ESG Report, you are welcome to contact the Group anytime through the following means:

Address: Building 1, East Side in Sunac Center, 278 Hongqi Road, Nankai District, Tianjin, China

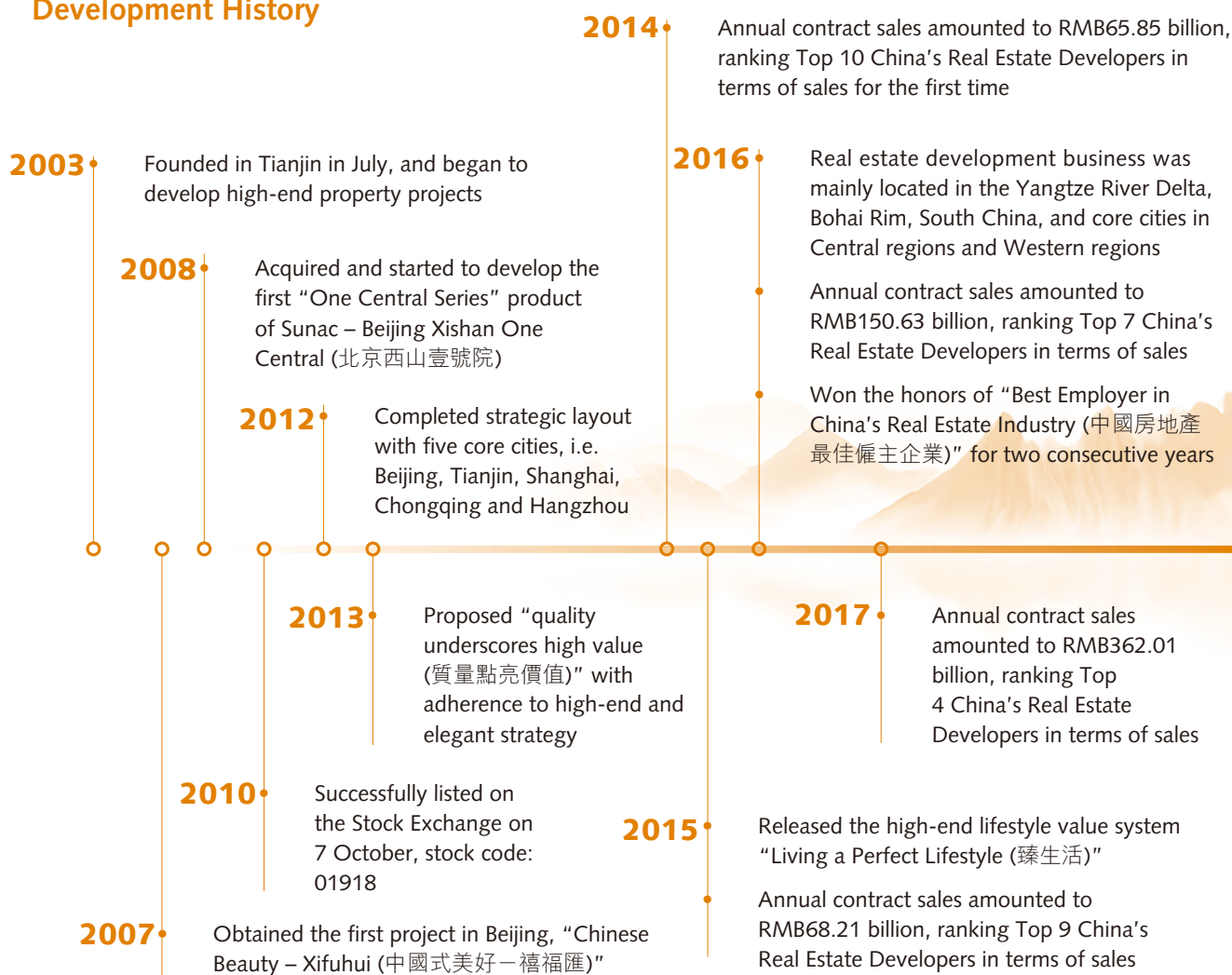
Email: esg@sunac.com.cn

About the Group

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares have been listed on the main board of the Stock Exchange since 2010. With the brand philosophy of “passion for perfection”, the Group is committed to providing wonderful living environment and services for Chinese families through high-quality products and services and the integration of high-quality resources. With a focus on its core business of real estate, the Group implements its layout in real estate development, property management, ice & snow operation management, cultural tourism, culture and other business segments.

Relying on its high-quality land bank with an advantageous layout and leading product development capabilities, the Group's real estate development business is mainly located in core cities in the Yangtze River Delta, Bohai Rim, South China, Central regions and Western regions, and is divided into 10 regions or companies for management, namely the Beijing region (including Beijing, Qingdao and Ji'nan, etc.), North China region (including Tianjin, Harbin and Dalian, etc.), Shanghai region (including Shanghai, Nanjing and Suzhou, etc.), Southeastern China region (including Hangzhou, Fuzhou and Hefei, etc.), Central China region (including Wuhan, Changsha and Nanchang, etc.), South China region (including Guangzhou and Sanya, etc.), Northwestern China region (including Xi'an and Taiyuan, etc.), Chengdu-Chongqing region (including Chongqing and Chengdu, etc.), Yun Gui region (including Kunming, Guiyang and Xishuangbanna, etc.) and Henan Companies (including Zhengzhou and Luoyang, etc.).

Development History



2018

- Established the Sunac Cultural Tourism Group and Sunac Culture Group
- Launched Sunac Chinese-style Products
- Established the Sunac Foundation
- Annual contract sales amounted to RMB460.83 billion, ranking Top 4 China's Real Estate Developers in terms of sales

2020

- Released the "Sunac Chinese-style Product Strategic Value Blueprint (《融创中式产品战略价值蓝本》)"
- Annual contract sales amounted to RMB575.26 billion, ranking Top 4 China's Real Estate Developers in terms of sales

2021

- Annual contract sales amounted to RMB597.36 billion
- Won the honors of the "TOP 1 Typical Real Estate Developer in Terms of Service Capacity in 2021 (2021年度典型房企服务力TOP 1)" and ranked first on the list of "Top 100 Chinese Real Estate Enterprises in Terms of Product Power (中國房企產品力排行榜Top 100)"
- Won the "China Charity Award (中華慈善獎)"

2019

- Won the honor of the "TOP 1 Chinese Real Estate Enterprises in Terms of Product Power in 2019 (2019年中國房地產企業產品力第一名)"
- Annual contract sales amounted to RMB556.21 billion, ranking Top 4 China's Real Estate Developers in terms of sales

2023

- Completed the delivery of approximately 310,000 houses
- Officially promulgated the green standards titled "BREEAM for Bonski" for indoor ski resorts
- Bonski won the "BREEAM China Innovation Award (BREEAM中國區年度創新獎)" and the Voyage's "2023 Sustainable Brand Award (2023年度可持續品牌大獎)"

2024

- Completed the delivery of approximately 170,000 houses
- Recognized as "Top 10 Chinese Real Estate Enterprises for Product Competitiveness in 2024 (2024年度中國房地產企業產品力TOP 10)"
- Sunac Cultural Tourism ranked among "Top 20 Chinese Tourism Groups in 2024 (2024年中國旅遊集團20強)"

2022

- Completed the delivery of 180,000 houses
- Selected as "Top 10 Chinese Real Estate Enterprises in Terms of Product Power in 2022 (2022年中國房地產企業產品力TOP 10)" for five consecutive years
- Sunac Foundation was recognized as an "Advanced Social Organization in Tianjin (天津市先進社會組織)"

ESG Performance Highlights for 2024



Green Building

- New buildings are **100%** compliant with the green building requirements
- A total of **66** projects received two-star or three-star green building certifications, with a total gross floor area of approximately **13.61 million square meters**



Customer Service

- The Group completed the delivery of approximately **170,000** houses in **84** cities, ranking at the forefront of the industry
- The Theme Parks and Bonski received a total of **1,039** customer complaints, with a complaint closure rate of **100%** and a customer satisfaction rate of **99.4%**



Employee Training

- The Group reported **100%** staff training coverage and a total of approximately **1.92 million** training hours
- The Group conducted **150** online and offline integrity and compliance training sessions, with a total of over **90,000** training hours



Cultural Construction

- The Group launched the performance series of Dreaming Back, exploring local characteristics and showcasing Chinese culture



Social Contribution

- The Group launched public welfare activities in 13 cities across 12 provinces (municipalities), with more than **39,000** participants consisting of our employees, property owners and citizens

Compliant Operation to Fulfill Commitments through Action

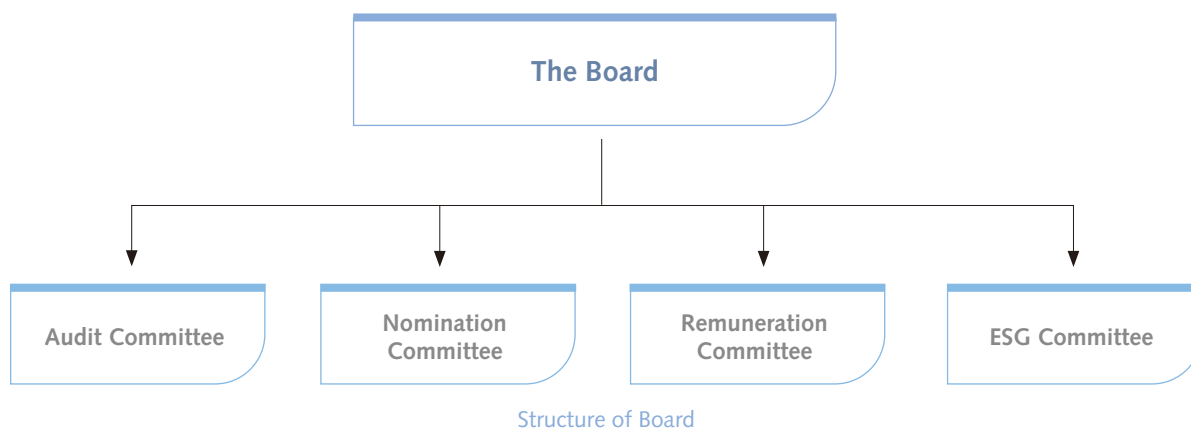


1 Compliant Operation to Fulfill Commitments through Action

The Group believes that robust corporate governance is the cornerstone of sustainable development. Therefore, on the existing basis, the Group has been constantly improving its corporate governance framework, enhancing its corporate governance level, strengthening communication with stakeholders, and optimizing its risk management mechanism, thereby facilitating the construction of its ESG system and improve its sustainable competitiveness.

1.1 Corporate Governance

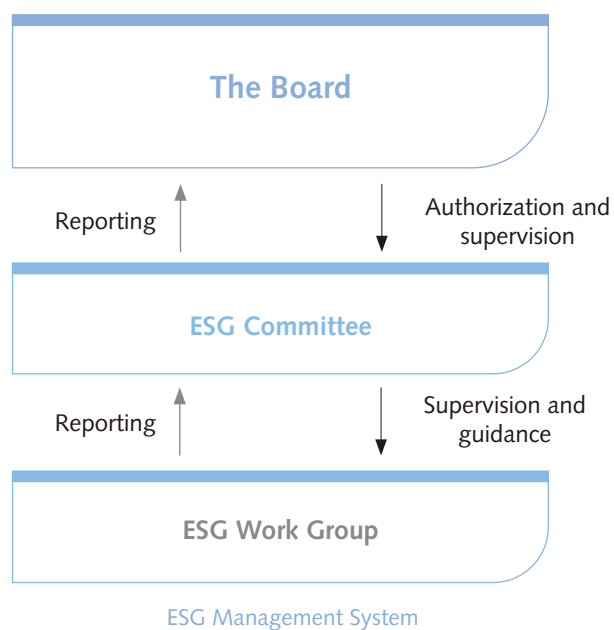
The board (“Board”) of directors (“Directors”) of the Company supervises and approves the Group’s strategic development objectives, significant operational decisions and financial performance with a number of Board committees established underneath to perform specific tasks, including the Audit Committee, the Nomination Committee, the Remuneration Committee and the Environmental, Social and Governance Committee (the “ESG Committee”). The terms of reference of the Board and various committees and information on Directors can be found on the Company’s website (<https://www.sunac.com.cn/>). Please refer to the “Corporate Governance Report” in the Company’s 2024 annual report for the details on the Board and committee meetings in 2024 and other details about corporate governance.



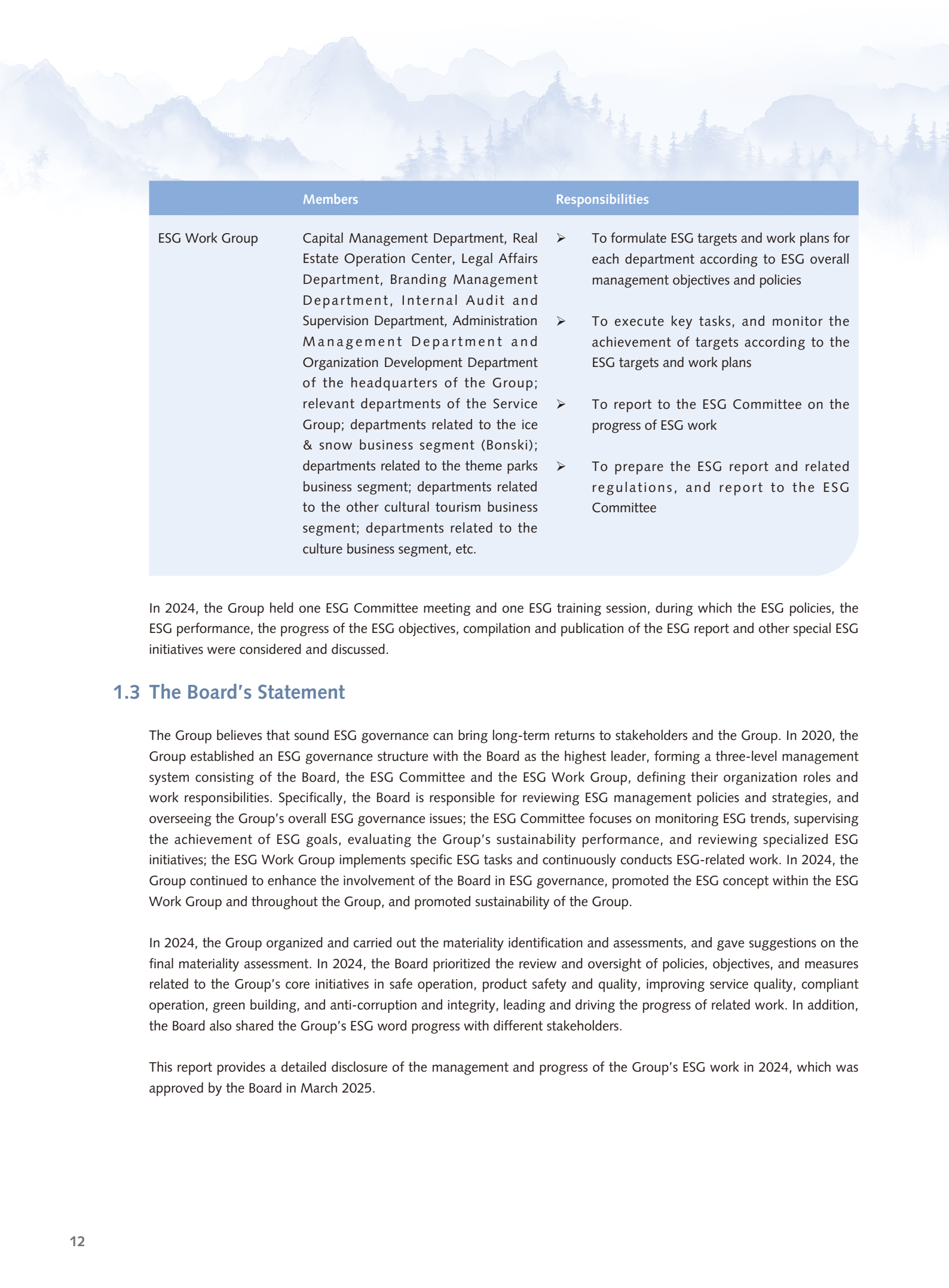
The Group’s insistence on increasing the diversity of the Board is a key element in achieving its strategic objectives, protecting the rights and interests of shareholders and maintaining the Company’s sustainable development. The Group has formulated the *Board Diversity Policy of Sunac China*, which was revised in March 2025, further clarifying that all appointments of the Board shall be based on merit, candidates will be measured against objective criteria with due regard for the benefits of diversity on the Board and the Board will maintain a proper balance in the composition of male and female members with due regards to the expectations of stakeholders and with reference to international and local recommended best practices, thereby enhancing the effective operation of the Board and maintaining a high standard of corporate governance. The Group appointed a female Director in 2024 and will gradually increase the proportion of female directors in the future when selecting and appointing suitable candidates. In addition, the Group has formulated the *Nomination Policy of Sunac China*, which clarified that the selection of Board candidates shall be based on a range of diverse criteria, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and tenure of service.

1.2 ESG Management

The Group has established a comprehensive ESG management system, which clearly defines the responsibilities of the Board, the ESG Committee and the ESG Work Group. At the same time, the Group strictly complied with the *Terms of Reference of the ESG Committee of Sunac China Holdings Limited*, and the *ESG Management Regulations of Sunac China Holdings Limited*, which set out the ESG objectives and strategic planning, ESG policy formulation, stakeholder communication, ESG risk identification and management, ESG information disclosure, and special improvement, etc., gradually enhancing the Group's ESG management level and practices. In addition, on the basis of the existing eight ESG policies (the *Environmental Policy of Sunac*, the *Green Building Policy of Sunac*, the *Diversity and Inclusion Policy of Sunac*, the *Board Diversity Policy of Sunac China*, the *Integrity Code of Sunac*, the *Supplier Code of Conduct of Sunac*, the *Health and Safety Policy of Sunac*, and the *Cybersecurity Policy of Sunac*), the Group has continuously improved the responsibility mechanism and ESG management measures, strengthened the sustainable management, and fulfilled responsibility commitments.



	Members	Responsibilities
Board of Directors	<p>Executive Directors:</p> <p>Sun Hongbin (Chairman), Wang Mengde (CEO), Ma Zhixia, Tian Qiang, Huang Shuping, Sun Kevin Zheyi</p> <p>Non-executive Director:</p> <p>Lam Wai Hon</p> <p>Independent Non-executive Directors:</p> <p>Poon Chiu Kwok, Zhu Jia, Ma Lishan and Yuan Zhigang</p>	<ul style="list-style-type: none"> ➤ To lead and be responsible for the overall ESG management of the Group, including supervision and review of the Group's ESG performance ➤ To review and determine the Group's ESG strategies, ESG management framework, and implementation policies ➤ To urge the Group to implement and enforce its ESG targets effectively, and regularly monitor and assess the implementation of such objectives ➤ To review and ensure that the Group has established appropriate and effective ESG risk management and internal control systems, and review, identify, evaluate and manage important ESG-related impacts, risks and opportunities ➤ To review and approve the Group's ESG report
ESG Committee	<p>Chairman:</p> <p>Wang Mengde</p> <p>Members:</p> <p>Poon Chiu Kwok, Zhu Jia, Ma Lishan and Yuan Zhigang</p>	<ul style="list-style-type: none"> ➤ To formulate ESG management objectives, policies and guidelines, and implementation strategies, and to provide advice to the Board ➤ To review the Group's ESG risk management and internal control systems, make recommendations to the Board and report to the Board on material ESG risks ➤ To review the Group's ESG-related work programs, including but not limited to green buildings, health and safety, business ethics and anti-corruption and labor management, etc., and report to the Board on the planning and implementation of specific work ➤ To review the Group's ESG report, and report and submit recommendations to the Board ➤ To consider and approve the Group's ESG-related regulations



	Members	Responsibilities
ESG Work Group	Capital Management Department, Real Estate Operation Center, Legal Affairs Department, Branding Management Department, Internal Audit and Supervision Department, Administration Management Department and Organization Development Department of the headquarters of the Group; relevant departments of the Service Group; departments related to the ice & snow business segment (Bonski); departments related to the theme parks business segment; departments related to the other cultural tourism business segment; departments related to the culture business segment, etc.	<ul style="list-style-type: none"> ➤ To formulate ESG targets and work plans for each department according to ESG overall management objectives and policies ➤ To execute key tasks, and monitor the achievement of targets according to the ESG targets and work plans ➤ To report to the ESG Committee on the progress of ESG work ➤ To prepare the ESG report and related regulations, and report to the ESG Committee

In 2024, the Group held one ESG Committee meeting and one ESG training session, during which the ESG policies, the ESG performance, the progress of the ESG objectives, compilation and publication of the ESG report and other special ESG initiatives were considered and discussed.

1.3 The Board's Statement

The Group believes that sound ESG governance can bring long-term returns to stakeholders and the Group. In 2020, the Group established an ESG governance structure with the Board as the highest leader, forming a three-level management system consisting of the Board, the ESG Committee and the ESG Work Group, defining their organization roles and work responsibilities. Specifically, the Board is responsible for reviewing ESG management policies and strategies, and overseeing the Group's overall ESG governance issues; the ESG Committee focuses on monitoring ESG trends, supervising the achievement of ESG goals, evaluating the Group's sustainability performance, and reviewing specialized ESG initiatives; the ESG Work Group implements specific ESG tasks and continuously conducts ESG-related work. In 2024, the Group continued to enhance the involvement of the Board in ESG governance, promoted the ESG concept within the ESG Work Group and throughout the Group, and promoted sustainability of the Group.

In 2024, the Group organized and carried out the materiality identification and assessments, and gave suggestions on the final materiality assessment. In 2024, the Board prioritized the review and oversight of policies, objectives, and measures related to the Group's core initiatives in safe operation, product safety and quality, improving service quality, compliant operation, green building, and anti-corruption and integrity, leading and driving the progress of related work. In addition, the Board also shared the Group's ESG work progress with different stakeholders.

This report provides a detailed disclosure of the management and progress of the Group's ESG work in 2024, which was approved by the Board in March 2025.

1.4 Communication with Stakeholders

The Group attaches great importance to communication with stakeholders, continues to improve the normalized and multi-channel communication mechanism to ensure timely responsiveness to stakeholder expectations, and accepts their supervision. We conduct regular dialogues with stakeholders on ESG issues, actively soliciting their opinions and suggestions to better understand the ESG issues they are concerned about, and facilitate the continuous improvement of the Group's ESG management efforts.

Stakeholders	Issues of concern	Means of communication
Government and regulatory authorities	Compliance with laws Compliant operation Risk management Anti-corruption and upholding integrity Paying taxes by law Climate Change Green building	Policy and guidance Information disclosure Report on the work Daily communication Supervision and inspection Visiting reception
Shareholders and investors	Comprehensive information disclosure Sustained and stable business development Compliant operation Risk management Investor relations management	General meetings of Shareholders Regular reports and announcements Provisional announcements and notices Investor meetings News release Project visits
Property owners and customers	Customer service and satisfaction Protecting legitimate rights and interests Providing high-quality products and services Information security and privacy protection	Customer service center Service hotline User complaints and handling User satisfaction survey Forum and communication Online and offline promotional activities



Stakeholders	Issues of concern	Means of communication
Employees	Legal employment Basic rights and interests Training and development Employee welfare guarantee Employee caring Occupational health and safety	Regular research and feedback Employee caring activities Employee training Employee seminars Employee benefits distribution Employee satisfaction survey
Suppliers and partners	Integrity operation Mutual benefit Supply chain management Exchange and cooperation Product quality and safety	Daily communication Company visits Project procurement Supplier contracts and agreements Supplier audit and assessment Supplier support and cooperation Supplier meetings Other communication events with suppliers
The public	Carrying out public welfare projects Promoting local employment Driving community economy Community investment Volunteer activities	Community activities Social communication and survey Volunteer services Forum and communication Company website & official accounts

1.5 Identification of Material Issues

The Group attaches great importance to the feedback and suggestions of stakeholders on sustainable development issues. In 2024, we followed the three steps of “identification – research – assessment” to review and adjust the material issues of the previous year, and further sorted out the materiality matrix in 2024.

The specific steps for the Group to obtain the assessment results of material issues are as follows:

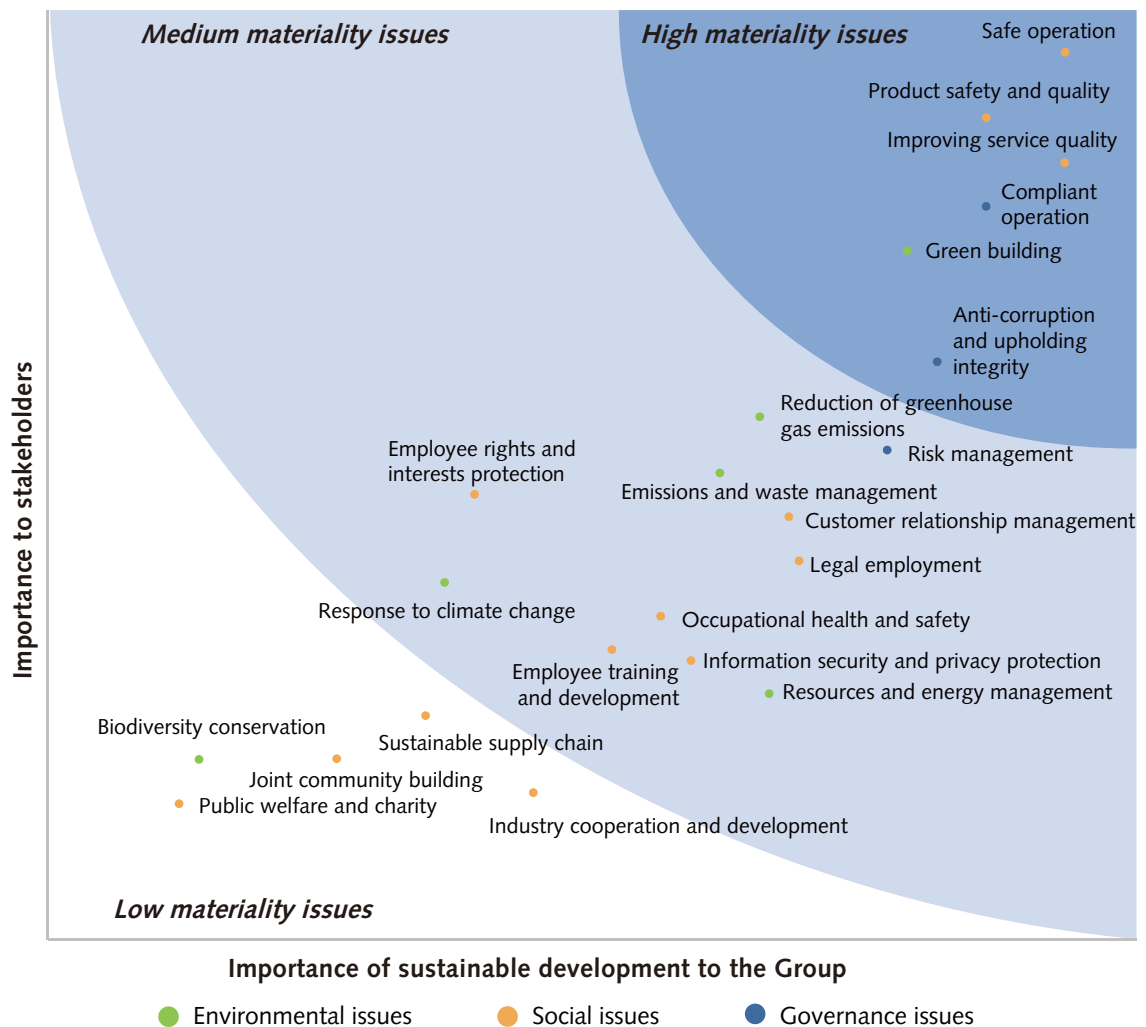
Identification and determination of ESG issues: According to the ESG Code of the Stock Exchange, the GRI Standards and the UNSDGs, comprehensively sort out the Company's ESG material issues and the concerns of various stakeholders, benchmark against domestic and foreign peers' ESG issues and ESG performance, and closely monitor ESG relevant media information to identify 22 key ESG issues;

Stakeholder questionnaires: Collect replies from internal and external stakeholders through an online questionnaire survey;

Assessment of material issues: Based on the results of questionnaires as well as the development of the Group, assess the material issues by two dimensions of “the materiality to the Group” and “the materiality to stakeholders,” and rank the ESG issues by materiality.

Materiality	Order	Issue
High materiality issues	1	Safe operation
	2	Product safety and quality
	3	Improving service quality
	4	Compliant operation
	5	Green building
	6	Anti-corruption and upholding integrity
Medium materiality issues	7	Risk management
	8	Reduction of greenhouse gas emissions
	9	Customer relationship management
	10	Legal employment
	11	Emissions and waste management
	12	Resources and energy management

Materiality	Order	Issue
	13	Occupational health and safety
	14	Information security and privacy protection
	15	Employee rights and interests protection
	16	Employee training and development
	17	Response to climate change
Low materiality issues	18	Industry cooperation and development
	19	Sustainable supply chain
	20	Joint community building
	21	Biodiversity conservation
	22	Public welfare and charity



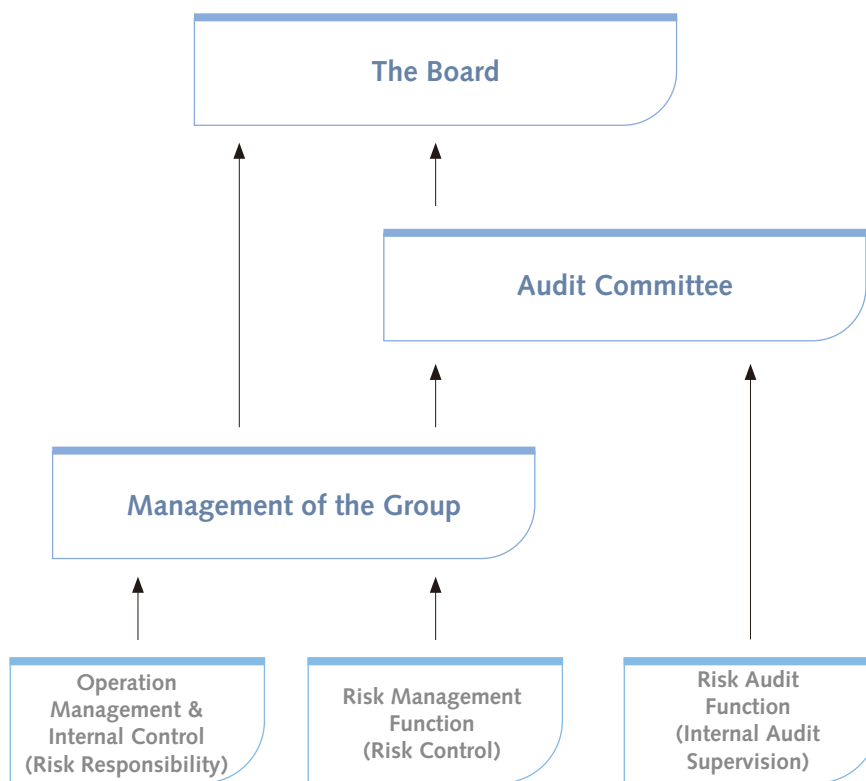
ESG Materiality Matrix in 2024

1.6 Compliant Operation

The Group is committed to compliant operations while continuously improving its risk control capability with the implementation of a sophisticated risk prevention and control mechanism, regularly promoting internal standardization & optimization and efficient internal control practices, aiming to effectively manage and control business operation risks and improve the safety of the Group's operations.

1.6.1 Risk Control

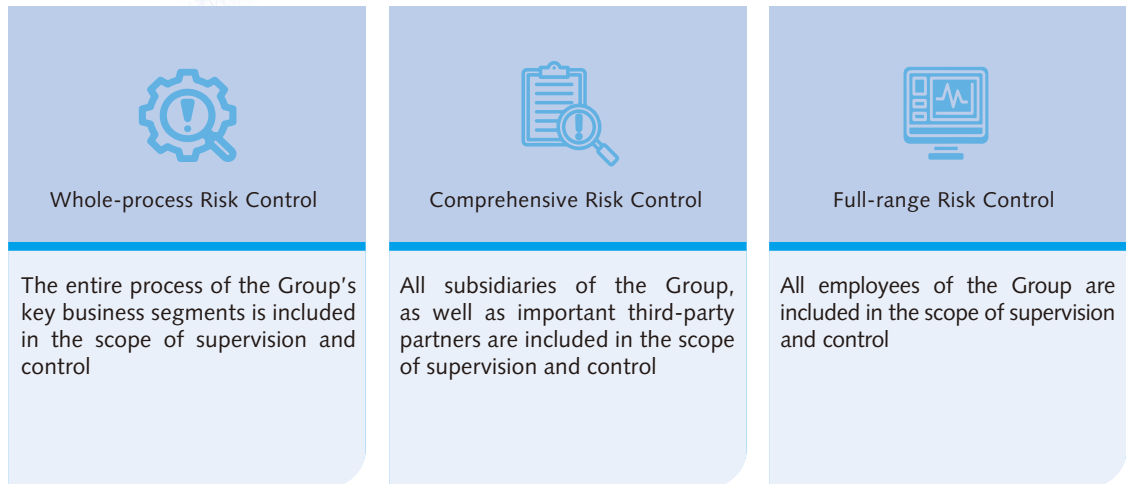
The Group has established a comprehensive risk management system, structured around a four-tier risk management framework. The Internal Audit and Supervision Department, delegated by the Board and the Audit Committee and directly managed by the CEO, is responsible for conducting internal audits. It continuously monitors the effectiveness of internal controls, oversees management's development and implementation of improvement plans, and regularly provides thematic reports to the Audit Committee and the Board.



Risk Management Structure

The Group continuously enhances the audit and risk control management system and measures, implementing risk management monitoring and supervision in accordance with the “Provisions on Internal Audit of Sunac Group (《融创集團內部審計規定》)” and the “Regulations on Internal Control Management of Sunac Group (《融创集團內控管理規定》)”. Through various methods such as specialized audits and internal control inspections, it identifies business operation risks and proposes improvement suggestions for identified issues, further improving and enhancing the effectiveness of relevant systems and the compliance of business activities. The Group also regularly conducts audit system performance assessment, quality evaluation to ensure the overall work quality of the audit and supervision system.

The Group fully utilizes information technology to strengthen internal oversight and has established information systems aligned with operational needs. In 2024, we integrated Robotic Process Automation (RPA) technology to aggregate and systematize business data, conducted analysis on full-sample data across all operational processes, and executed targeted sampling reviews of identified critical risks, enabling holistic risk management.



The Group continuously improves its legal risk prevention and control system, continuously tracks the promulgation of relevant new laws and regulations, and identifies the impact of new requirements and regulations on the current and future development of the Group.

1.6.2 Integrity operation

In strict compliance with the "Anti-Unfair Competition Law of the People's Republic of China" (《中華人民共和國反不正當競爭法》), the "Anti-money Laundering Law of the People's Republic of China" (《中華人民共和國反洗錢法》), and the "Interim Provisions on Banning Commercial Bribery" (《關於禁止商業賄賂行為的暫行規定》), and other laws and regulations, the Group actively promotes the corporate culture of integrity and compliance, and has established a "three-in-one" integrity defense line through standardized system, external and internal supervision, and enhanced education.



The Group has formulated the “*Regulations on Integrity Management of Sunac Group* (《融創集團廉潔工作管理規定》)”, and the “*Integrity Code of Sunac* (《融創廉潔守則》)” to prohibit any form of bribery, extortion, fraud and money laundering, and demand all employees to obey disciplines and laws in their daily work and adhere to the requirements of integrity and morality. The Group requires all employees, including senior management, to sign the “*Employee Integrity Commitment* (《員工廉潔承諾書》)”.

To ensure suppliers comply with the Group’s integrity requirements, the Group has established standardized tendering and bidding management processes. All suppliers (including service providers, contractors, etc.) are required to sign the “*Supplier Integrity Agreement* (《供方廉潔協議》)” simultaneously when entering into a cooperation agreement with the Group. This legally binding document explicitly defines integrity obligations and enforces strict penalties for violations.



In 2024, all employees of the Group signed the “*Employee Integrity Commitment*”, with a coverage rate of **100%**



In 2024, all cooperative suppliers of the Group signed the “*Supplier Integrity Agreement*”, with a signing rate of **100%**

The Group actively promotes integrity culture through awareness campaigns and strengthens employees’ ethical consciousness. We conduct integrity education and training programs, integrity examinations, and related integrity culture initiatives targeting all employees (including both full-time and part-time employees) across the Group.



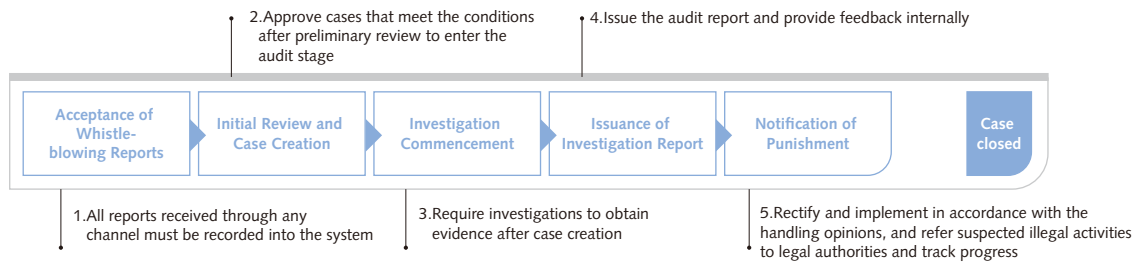
In 2024, the Group organized online and offline training on integrity and compliance for:

- **150** sessions in total
- **100%** employee coverage
- more than **90,000** training hours in total

The Group consistently conducts commercial ethics audits, covering all business lines. Violations of commercial ethics are promptly reported and addressed to ensure the effective implementation of relevant policies. In 2024, the Group carried out 263 internal control inspections focused on commercial ethics and anti-corruption. During the year, 2 corruption cases (both belong to the Service Group) were filed and concluded. The litigation outcomes resulted in 2 employees being sentenced to fixed-term imprisonment for job-related embezzlement. The individuals involved were dismissed, and the misappropriated funds were fully recovered. These incidents did not have a material impact on the Group’s operations.

The Group established open and diversified whistle-blowing and complaint channels, including an official website, hotline, email, and official WeChat account. These channels are publicly displayed in sales offices, office areas, and construction sites, and are explicitly listed in all externally signed contracts and tender documents. In 2024, the Group updated and publicized its whistle-blowing and complaint mechanisms to ensure continuous accessibility and transparency of these channels.

The Group has formulated the “*Regulations on the Management of Complaints and Whistle-blowing of Sunac Group* (《融創集團投訴舉報管理規定》)” to clarify the complaint and whistle-blowing handling process. The Audit and Supervision Department is responsible for conducting independent investigations and follow-ups, ensuring strict confidentiality of reported information and safeguarding the legitimate rights and interests of whistleblowers and witnesses. Upon receiving a report, the Group will strictly follow established whistle-blowing and supervision procedures to investigate the matter. For cases that may lead to litigation, relevant responsible parties will be required to rectify issues and face serious disciplinary actions. Additionally, the Group strictly prohibits retaliation against whistleblowers in any form. Individuals or groups who retaliate against whistleblowers will be held fully accountable, with comprehensive measures in place to ensure whistleblower safety.



Whistle-blowing and monitoring procedures

The Group actively participates in industry-wide efforts to build an anti-fraud environment. It has joined two integrity-focused platforms: the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance. In alignment with these associations' initiatives, the Group collaborates to establish a shared “blacklist” mechanism. Individuals or suppliers flagged for severe violations or fraud in the alliance's blacklist will not be hired or engaged in any business cooperation. Furthermore, the Group actively participates in alliance-organized learning and exchange activities, collectively exploring ways to strengthen ethical ecosystems and advance a healthier, more transparent business environment.

1.6.3 Protection of intellectual property rights

The Group attaches great importance to protecting its intellectual property rights and continuously strengthens the management of intellectual property rights. It established a sound intellectual property management system, regularly maintains trademarks and other intellectual property rights, and enhances employees' legal awareness of intellectual property rights. In 2024, the Group was not involved in any punishment relating to intellectual property rights by the government.

Applying for trademarks and other intellectual property rights	Regularly apply for trademarks and other intellectual property rights according to the promotion names that project companies use, to ensure they obtain the effective legal protection
Monitoring similar trademarks and applying for trademark opposition/invalidation/revocation	Monitor trademarks similar to “融創” and “SUNAC” on a regular basis, and apply for the opposition of similar trademarks within the publication period and the invalidation or revocation of similar trademarks already approved for registration
Responding actively to others' application for trademark opposition/revocation	In the event that others raise the application of trademark opposition or revocation against the Group, the Legal Affairs Department organizes business departments to collect evidence and defend actively to protect the Group's trademark right
Protecting the trademark right proactively	To protect the trademark right from being infringed, the Group conducts a special investigation into trademark rights infringement and unfair competition on a regular basis. For the case of infringement, the Group protects its legitimate rights by negotiating with the infringing party, reporting to the industrial and commercial administrative departments for investigation and punishment, and filing a lawsuit, based on which we have established a normalized trademark protection mechanism
Establishing and improving the intellectual property rights management system	Formulate the trademark management system, the project-promotion naming specifications, the standard on the use of font copyright, and other rules and standards, and work out the guidelines such as project promotion naming review guidelines and the guidelines on protecting the trademark right by considering the business requirements

The Group also pays attention to the application for and maintenance of patents, and applies for patents timely according to its actual needs. As of 31 December 2024, the Group has obtained a total of 32 patents.



Co-creating Civilization through Green Integration

2 Co-creating Civilization through Green Integration


Through continuously implementing the sustainable development principles, the Group seeks to achieve high-quality urban development that is more livable, healthier, and warmer while systematically addressing the environmental impacts of green design, green construction, and green operations, among other critical aspects. These efforts aim to minimize our operational footprint and advance China's carbon peaking and carbon neutrality objectives.

2.1 Green Concept

With unwavering adherence to the guideline of "tailored measures to suit local conditions and comprehensive consideration", the Group carefully implements the concepts of resource conservation and emission reduction throughout the life cycle of its buildings. The Group knows that green buildings use resources more efficiently than traditional buildings and are beneficial to property owners, tenants and society in general. Therefore, we integrate the concept of eco-friendly development into the full life cycle of the Group's project construction and operation, trying to realize sustainable development in an all-around manner. The Group has set environmental targets, participated in the compilation of industry standards, increased the proportion of clean energy use, and built exemplary projects that address climate change properly, taking concrete actions to provide the public with healthy, applicable and resource-efficient properties.

The Group has formulated and implemented the "*Environmental Policy of Sunac (《融創環境政策》)*" and the "*Green Building Policy of Sunac (《融創綠色建築政策》)*" which apply to all new projects and projects under construction. The Group advocates joint ventures and associates to follow the aforesaid policies and improve their management. In addition, the Group relies on the three core paths, i.e. green design, green construction and green operation, to ensure the implementation of its green development concept.

Green design	Green building	Achieve 100% compliance with green building standards for all new buildings, and drive promote the implementation of High-star, Ultra-low energy consumption green products
	Digital design	Promote digital design to improve management expertise in design and construction, reduce waste of resources, and promote energy conservation & emission reduction
	Green planning	Advance green planning to facilitate eco-friendly development, maximizing land resource efficiency and ecological value realization
	Green standard	Formulate green standards to drive innovation, accelerating the implementation and commercialization of green technologies
Green construction	Green construction system	Promote and participate in the implementation of green construction system
	Green construction	Enhance green construction management measures to strictly control energy consumption and comprehensively reduce environmental pollution caused by construction
	Green procurement	Promote green procurement, driving suppliers to improve environmental management capability, and build a sustainable supply chain
	Green building materials	Increase the proportion of green building materials to promote eco-friendly development of the industry



Green operation	Energy consumption management	Strengthen the management of green operation to reduce resource consumption and environmental pollution
	Water resources management	Improve water utilization efficiency to effectively reduce water consumption and its intensity year by year
	Waste management	Strictly control waste discharge with improving the garbage classification rate and comprehensive utilization rate
	Green leasing	Fully implement green leasing with strengthened publicity efforts and thereby enhancing lessees' environmental protection awareness
	Green office	Create a green environment in the workplace

2.2 Green Design

The Group strictly complies with the “*Environmental Protection Law of the People’s Republic of China* (《中華人民共和國環境保護法》)”, the “*Environmental Impact Assessment Law of the People’s Republic of China* (《中華人民共和國環境影響評價法》)” and the “*Regulations on the Administration of Environmental Protection in Construction Projects* (《建設項目環境保護管理條例》)”, while deeply practicing the concept of green design in each aspect of its project design. With a focus on building a green habitat environment, green business model and green eco landscape, we strive to achieve harmonious coexistence and win-win development in terms of ecological benefits, economic benefits and habitat quality. To this end, the Group has formulated and implemented various management standards and systems, such as the “*Design Application Guidelines for Prefabricated Building of Sunac Group* (《融創集團裝配式建築設計應用指引》)”, the “*Implementation Standards for Passive Low-energy Consuming Buildings of Sunac Group* (《融創集團被動式低能耗建築實施標準》)”, the “*Technical Standards for Exterior Wall Insulation Systems of Sunac Group* (《融創集團外牆保溫系統技術標準》)” and the “*Guiding Requirements on Design of Smart Communities of Sunac Group* (《融創集團智慧社區設計要求導則》)”, thereby continuously enhancing the Group’s core competitiveness in the project design field.

The Group places high priority on its green planning strategy and actively engages in green development practices, committed to achieving optimal and rational utilization of land resources while highlighting ecological value. The Group conduct thorough analyzes of the land attributes and historical context of project sites, strictly adhering to green space protection commitments. Our efforts focus on avoiding encroachment on green areas and farmland, rigorously complying with legal regulations and planning requirements established by government authorities regarding farmland and green space preservation. We maintain strict development boundaries for sensitive zones such as nature reserves, agricultural land, and cultural heritage sites, and make every effort to minimize potential adverse impacts on natural green spaces and surrounding ecosystems.

During the preliminary planning and survey phases of projects, the Group conducts comprehensive investigations into local ecological conditions, implements scientific environmental impact assessments, and prioritizes biodiversity conservation through proactive protective measures. Concurrently, we actively implement ecological preservation and restoration measures, striving to reduce the project’s environmental impact to the lowest feasible level.



2.2.1 Green Building

Commitment to Green Building: 100% of new buildings complied with the requirements for green building, promoting the practice of High-star and Ultra-low energy consumption green products:

- The Real Estate business segment ("the Real Estate Group"): 100% of the newly developed residential projects met the standards for green building, promoting them to obtain various green building certifications;
- The Cultural Tourism business segment: 100% of the newly-developed owned and operated properties (including the indoor ski resorts, business projects, hotels, and office buildings, etc) met the two-star or above green building standards; promoting newly constructed owned projects to obtain various green building certifications, among which the indoor ski resorts, important hotels, and business projects received dual certifications of "China Green Building + BREEAM".

From 2020 to 2024, all new projects¹ of the Group met China's green building standards. The Group strove to obtain the green building certification for its projects, including the "Assessment Standard for Green Building (《綠色建築評價標準》)" of China, the U.S. LEED Certification, the U.K. BREEAM Certification, etc. By the end of 2024, the Cultural Tourism City projects in operation of the Group had obtained green building certification², with all under-construction projects receiving green building certification as well. The Group is the only enterprise in China that has achieved full coverage of green building certifications in the cultural tourism segment and one of the first batch of enterprises in China to obtain dual certifications of green buildings and LEED for cultural tourism projects.

From 2020 to 2024, the Group certified a cumulative total of 66 projects² with two-star or three-star green building certifications, encompassing a total gross floor area of approximately 13.6079 million square meters.

Case: Beijing Chaoyang One

The Beijing Chaoyang One Project is situated along the East Fourth Ring Road in Chaoyang District, integrating premium resources in transportation, entertainment, education, healthcare, commerce, and ecology. Guided by the design philosophy of "Bringing the Forest Home," the project establishes a 5M intelligent-system through five key pillars of Healthy Living, Green Materials, Smart System, Attentive Management and Comfortable Environment, creating a green and comfortable living scenario.

- **Healthy Living:** Featured by refined designs such as advanced fresh air systems, optimized acoustic insulation, and eco-friendly building materials, it ensures a healthy and comfortable living environment for residents. The fresh air system achieves over 95% PM2.5 filtration efficiency, guaranteeing superior air quality. In addition, noise reduction is achieved through triple-pane, double-cavity argon-filled LOW-E glass, thickened exterior walls, and other soundproofing technologies, fostering a tranquil living environment;

¹ The statistical scope of new projects and projects which received green building certification covers the Group as well as its joint ventures and associates.

² The statistical scope does not cover the land park projects of the Group, which will generally have key parts of them singled out to apply for the relevant green building certification.

Case: Beijing Chaoyang One

- **Green Materials:** It exclusively utilizes Three-Star Green Building-certified materials and coatings, combining environmental protection and health with exceptional thermal insulation, heat resistance, and soundproofing performance;
- **Smart System:** Equipped with a 4S Cloud Intelligent Platform, the project integrates four modules of smart security, smart homecoming, smart furnishings and smart services to provide residents with a convenient and intelligent living experience. Technology equipments like the contactless smart home access system and “Angel Eye” surveillance ensure resident safety through technologies;
- **Attentive Management:** It offers 24h Golden Key concierge services, with staff certified in China Red Cross emergency rescue, providing tailored services such as smart security and eco-friendly cleaning for residents;
- **Comfortable Environment:** It incorporates the “Sponge City” concept through designs like sunken green spaces and permeable paving to optimize rainwater utilization and reduce drainage pressure on municipal systems. The community landscape features “one central axis, a main pathway, two green corridors, and six themed garden retreats”, blending natural elements of wind, water, sunlight and flora into daily life, providing an idyllic, eco-conscious living environment for residents.



Beijing Chaoyang One

2.2.2 Green Technology Standards

The Group actively participates in the formulation and compilation of international, national, industrial and association standards for green technology to promote green innovation in society and enterprises. Currently, the Group has finalized a green building standard for indoor ski resorts, participated in the formulation of a number of association standards and developed approximately 26 corporate standards, covering building quality, quality improvement, energy conservation, environmental protection, assembled structure, decoration materials and intelligence, etc. Furthermore, the Group participated in the development of the national standard “*Engineering Standards for Themed Parks* (《主题公园工程技术标准》)”, which is expected to be publicly released in 2025.

2.3 Green Construction

The Group attaches great importance to the impact of project construction on the surrounding environment and natural ecosystems, striving to integrate the concept of green construction throughout the entire production chain. In 2024, the Group's prefabricated construction projects accounted for 42% of its total number of projects.

In 2024, the Group continued to strengthen green construction management of its projects to achieve its goal of “Four Conservations and One Environmental Protection”, namely the conservation of energy, land, water, material as well as environmental protection. Meanwhile, it fully reused the waste generated during the construction to decrease the consumption of resources during the construction process and reduce pollution to the local environment. Furthermore, the Group integrated environmental protection, resource conservation, safety and health elements into its procurement process, aiming to increase the proportion of green materials and promote the eco-friendly development of the industry.

Case: Beijing Chaoyang City Villa

Located in Chaoyang District, Beijing, the Beijing Chaoyang City Villa Project adheres to the core principles of prefabricated construction. It extensively employs prefabricated building techniques for components such as wall panels and ceilings, significantly enhancing material and structural durability while advancing the project's green and low-carbon development.

- **High-Precision Components:** Utilizing high-precision prefabrication technology ensures dimensional accuracy and smooth surfaces of components, improving the air-tightness of residential exteriors and elevating both architectural quality and aesthetic appeal;
- **Premium Materials:** The prefabricated buildings components employ high-quality materials that combine high strength and durability with sound insulation, waterproofing, and thermal insulation properties;
- **Construction Efficiency:** The prefabricated buildings approach delivers high construction efficiency, effectively shortening project timelines;
- **Eco-Friendly Practices:** It reduces construction waste and wastewater discharge during the building process, conserves energy and water resources, lowers construction costs, and contributes to environmental protection;
- **Enhanced Living Experience:** Excellent soundproofing, waterproofing, and thermal insulation performance of prefabricated buildings create a more comfortable residential environment.



Beijing Chaoyang City Villa



2.4 Green Operation

The Group strictly complies with national and local laws and regulations related to environmental protection, including the "Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》)", to ensure that its operations meet the requirements of laws and regulations.

The Service Group establishes the environmental management system based on the business operation model, and has obtained the ISO 14001:2015 Environmental Management System certification. It also has established the energy management system based on energy consumption in the business operation, and has obtained the ISO 50001:2018 Energy Management System certification.


The Theme Park segment formulates a series of systems such as the "Energy Conservation Guide Book (《節能工作指導手冊》)" to minimize the impact on the environment in the project operation period. Bonski has implemented an annual energy consumption plan, distributing management requirements to each specialized company. By upgrading its online energy management platform, it enables real-time tracking of energy consumption and anomaly alerts for operational projects.

The Group continues to pursue the environmental targets set by the Real Estate and the Culture business segments in respect of office premises and by the Cultural Tourism business segment in respect of office premises and project operations:

- ✓ GHG emission reduction target: GHG emission intensity to decrease by 8% in 2025 as compared to that in 2021
- ✓ Waste reduction target: Non-hazardous waste emission intensity to decrease by 4% in 2025 as compared to that in 2021
- ✓ Energy use efficiency target: Comprehensive energy consumption intensity to decrease by 8% in 2025 as compared to that in 2021
- ✓ Water efficiency target: Water consumption intensity to decrease by 4% in 2025 as compared to that in 2021

2.4.1 Green Lease

In response to the requirements of green lease in China, the Group has issued and published documents such as the "Tenant Decoration Manual (《商戶裝修手冊》)" and the "Tenant Management Manual (《商戶管理手冊》)" to form a green agreement with the tenants with reference to the "Green Mall (《綠色商場》)" (SB/T 11135-2015) of the Ministry of Commerce of the PRC, the "Notice on the Publication of the Master Plan of Action for Forging Green Living Lifestyles (《關於印發〈綠色生活創建行動總體方案〉的通知》)" of the National Development and Reform Commission of the PRC and the current management status, and added the "Supplementary Lease Agreement (《租賃補充協議》)" on green lease to the tenant's "Lease Contracts (《租賃合同》)" with prohibitive and encouraging provisions to promote environmental sustainability, working with tenants to improve energy efficiency and reduce emissions. Throughout the leasing period, we cooperated with the tenants to promote the incorporation of environmental management practices such as water and energy saving, promotion of energy saving, green consumption, decoration and renovation into their daily operation. Meanwhile, the Group actively launches green knowledge training for tenants and organizes green practice sharing activities, which serve as a bridge to communicate with tenants on sustainable development. While actively promoting green commercial buildings, we collect tenants' suggestions related to green leasing and sustainable development, and motivates all parties to raise their awareness of green and environmental protection and proactively participate in environmental protection issues, so as to jointly contribute to the cause of global sustainable development.




2.4.2 Energy Efficiency Improvement

The Cultural Tourism business segment conducts technology upgrade and improvement in multiple dimensions to enhance equipment operational efficiency and facilitate low-carbon development:

- Through data analysis of energy consumption patterns, ongoing improvements are made to the operational technology of equipment and facilities. This includes the use of intelligent systems to uniformly monitor the operation of equipment to enhance equipment operational efficiency;
- Theme parks place a high emphasis on energy consumption, particularly targeting high-energy-consuming equipment for in-depth energy-saving measures. Examples include the life support systems at sea parks, theme park and water park amusement equipment, and various air conditioning systems. Through a matrix-style management approach involving headquarters and subsidiaries, rigorous control measures are implemented, and equipment operational strategies are continuously optimized to achieve sustained reductions in energy consumption. Additionally, theme parks are actively promoting the use of green electricity to reduce project carbon emissions. Efforts include the development of rooftop and parking lot for photovoltaic power generation renovations. Currently, the photovoltaic power generation are already operational in projects such as Harbin and Wuxi, and project in Kunming is expected to be operational by 2025;
- Bonski is dedicated to enhancing the overall operational efficiency of equipment during the operational phase. This involves conducting examination and overhaul of each machine, subsystem, and pipeline within the refrigeration and snowmaking systems of every project to promptly identify, address and update any issues. The Group has completed updates of all the key equipment and facilities in 2024, and following these updates, energy consumption has decreased by approximately 5%. Additionally, Bonski actively implemented the application of rooftop photovoltaic facilities. In operational projects, rooftop photovoltaic installations were completed in 2023 in cities such as Harbin and Wuxi; photovoltaic facilities have been put into use in 2024 in Guangzhou; rooftop photovoltaic projects in Kunming, Chongqing, Chengdu, Xi'an and Wuhan (Ganlu Mountain) will be successively completed and connected to the grid for power generation in 2025. For projects under construction, the Zhengding and Shenzhen projects will synchronously complete PV grid connection for power generation after their opening in 2025. Thanks to the widespread promotion of rooftop photovoltaic facilities in Bonski projects, the total amount of rooftop PV power generation in 2024 increased by 78% as compared to 2023. It is expected that the power generation in 2025 will increase by another 160% based on 2024, reaching approximately 30 million kWh per year, significantly reducing carbon dioxide emissions.

2.4.3 Water Resource Management

The Group strictly implements the water resource management of its operation projects, monitors the operation of the water supply and drainage system through intelligent management platform, and comprehensively uses water-saving equipment for sanitary ware to reduce the waste of water resources. For sewage discharges, the Group has adopted corresponding water treatment measures to ensure that the quality of discharged water meets the requirements of national standards. In 2024, the Group did not encounter any issue in sourcing water resources.



The Cultural Tourism projects of the Group comply with the national green building standards from development planning to operation management, and innovate in many aspects to maximize the conservation of water resources. The Group has utilized rainwater recovery and reuse systems in many projects to store rainwater and use it for green irrigation, saving a lot of water resources; in the water park, the backwash wastewater of the filtration system is purified, changing the direct discharge in the past to recycling; in the sea park, it fully adopts the system of recycling of livelihood brackish wastewater, and recycles the backwash and suction wastewater after treatment, with a water-saving rate of 60%; within Bonski indoor ski resorts, defrost water from cold air machines supplements cooling water of evaporative circulating cooling, significantly reducing the demand for tap water. For the large-scale artificial lakes in the cultural tourism projects, the Group widely adopts the ecological water treatment technology to create a water ecosystem by planting aquatic plants and breeding aquatic animals, enhancing the self-cleaning ability of the water body, which not only significantly reduces the energy consumption of the water treatment system for operating but also presenting a good landscape effect. Moreover, regular inspections and maintenance are conducted on buried drainage networks in theme parks across various locations, minimizing water waste and reducing groundwater pollution.

2.4.4 Waste Management

The Group adheres to waste emission control at source, actively responding to and implementing the national and regional garbage classification policy; ensures that the gas boiler emissions, catering fumes, wastewater, and domestic sewage generated during the project operation satisfy the national treatment standards. At the same time, the Group entrusts a small amount of hazardous waste such as waste engine oil, waste lubricant, toner cartridges, printer cartridges, waste lamps, and discarded computers to third-party professional teams for recycling and disposal to minimize pollution.

2.4.5 Green Office

In respect of green office, the Group actively adopts the following measures:

- ✓ **Office water and electricity:** The Group propagandizes the good habit of saving water and electricity; adjusts the opening and closing time and temperature of air conditioning according to seasons; divides light control by area, carries out regular inspections, turns off lighting, air conditioning and other equipment when there is no one to reduce unnecessary energy consumption; strengthens the daily inspection and maintenance of water equipment, deals with leakage and unintended flow of water in a timely manner, and reduces the waste of water resources;
- ✓ **Office supplies:** The Group advocates paperless office, giving priority to the use of electronic documents and electronic signatures; encourages double-sided black and white printing instead of color printing when possible, and recycles the printed papers; assigns dedicated personnel to manage daily office supplies which are applied on demand and used economically; office waste is sorted and processed, and the non-hazardous waste is collected and delivered to the sanitation station for centralized processing, and hazardous waste such as toner cartridges and ink cartridges is recycled by outsourcers for disposal;
- ✓ **Transportation:** The Group advocates low – carbon travel by encouraging employees to use public transportation; encourages employees to use stairs instead of elevators whenever feasible within buildings; optimizes the arrangement for use of office vehicles; advocates the use of online communication modes such as telephone and video to reduce the frequency of long – distance business trips.



2.5 Climate Change

The Group conducts climate change management in alignment with the framework and recommendations of the International Sustainability Standards Board (ISSB)¹, focusing on four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. By proactively identifying and analyzing climate-related risks and opportunities, the Group integrates climate change considerations into its overarching development strategy to effectively address challenges posed by climate change.

2.5.1 Governance

The Group has established and continuously refined its climate change governance framework. As the highest governance body, the Board holds ultimate responsibility for oversight of climate change governance. The ESG Work Group is responsible for regularly assessing climate-related risks and reporting to the ESG Committee. All relevant departments incorporate climate risk management into daily workflows, ensuring the consistent implementation of tasks and advancing the execution and implementation of the Group's climate strategy.

2.5.2 Strategy

The Group proactively identifies and evaluates climate-related risks and opportunities, conducting in-depth analyzes of physical risks and transition risks impacting its operations. The Group strengthens its adaptability and resilience to climate change by continuously adjusting climate management strategies and response measures, optimizing resource allocation, and enhancing management level.


2.5.3 Risk Management

The Group prioritizes climate risks that pose significant operational impacts and higher probability of occurrence, assessing their potential business consequences. To address these risks, the Group implements targeted measures to bolster climate resilience, align with global green transformation trends, and accelerate its low-carbon transition and sustainable development goals.


Risk Type		Risk Description	Countermeasures
Physical risks	Extreme heat	Extreme high temperatures may deteriorate working conditions at construction sites, delay construction progress, endanger workers' health, and increase energy consumption, leading to higher costs.	<p>Implement protective measures against high-temperature operations, such as adjusting work schedules, providing cooling facilities, adopting energy-efficient materials and technologies to reduce energy consumption.</p> <p>Develop emergency plans and continuously improve emergency management processes to ensure prompt response and resolution during extreme weather events.</p>

¹ An independent international standard-setting body established by the International Financial Reporting Standards (IFRS) Foundation. It was officially launched at the COP26 on 3 November 2021, with the aims to develop sustainability reporting standards that complement the International Financial Reporting Standards (IFRS).

Risk Type		Risk Description	Countermeasures
	Extreme cold	Extreme low temperatures may compromise building material performance, delay construction progress, and increase heating demands and energy costs.	Use cold-resistant materials, optimize construction schedules to ensure construction safety during winter, and adopt high-efficiency heating systems to reduce energy costs.
	Extreme precipitation	Extreme precipitation may cause flooding, disrupt project timelines, endanger assets, and raise repair rebuilding costs.	Strengthen drainage systems, elevate flood prevention standards of buildings, and utilize water-resistant materials and designs.
	Sea-level rise	Rising sea levels may threaten coastal real estate projects, heighten flood risks, and may lead to asset devaluation.	Incorporate sea-level rise risk assessments during project evaluations, priorities elevated locations, improve flood control standards, and consider the long-term impact of future sea-level changes.
	Typhoon	Typhoons may damage building structures, delay project schedule, and increase repair costs on construction sites.	Reinforce wind-resistant design of building structures, improve typhoon preparedness standards, and emphasize such requirements in building codes for typhoon-prone areas. In daily operations, attention should be paid to obtaining weather forecast information in a timely manner and ensuring effective early warning for extreme weather conditions.
Transition risks	Policies and regulations	The increasingly stringent policies and regulations, and higher requirements for building standards and energy efficiency may lead to an increase in existing development, construction, and operating costs.	The ESG Work Group continues to focus on relevant policies and laws and regulations, and makes work planning; adjusts the business model in advance to comply with new regulations, and increases investment in compliance technology and training.
	Technology	Faced with the growing demand for environmental protection and sustainable development, companies need to invest in the R&D and application of green and low-carbon technologies, increasing R&D costs and market promotion costs.	Encourage innovation and technological development; actively deploy the use of new energy, increase capital investment in energy-saving renovations and process optimization; prepare project budgets and fund reserves, and gradually integrate new technologies into existing projects to reduce long-term costs.



Risk Type	Risk Description	Countermeasures
Market	New technologies and materials may face performance instability or low market acceptance, risking delays or extra costs.	Conduct thorough market research and technical evaluations at the early stages of the project; establish a risk assessment mechanism to rigorously test and verify new technologies and materials; secure long-term partnerships with suppliers to ensure the stability and quality of materials.
	The increasing demand for green and low-carbon buildings from customers may affect the sales of traditional buildings.	Transition to a low-carbon operating model to cater to the potential green and low-carbon consumption preferences of property owners and tenants in the future, including raising the standards and proportion of green building certification and providing buildings with higher energy efficiency.
	In regions affected by severe climate extreme events, real estate-related products and services may face devaluation risks.	Strengthen disaster-resilient designs of real estate projects and improve the durability and adaptability of buildings. Meanwhile, explore insurance and risk transfer products, such as climate bonds to mitigate potential devaluation risks.
Reputation	Raw material price hikes may impact profitability of companies.	Implement a series of supply chain management optimization measures, such as signing long-term contracts with suppliers to stabilize costs, adopting green building materials, and enhancing the sustainability of projects.
	Enterprises which fail to meet the increasingly stringent compliance requirements of regulatory authorities may suffer reputational damage.	Strengthen compliance management to ensure business operations comply with all relevant regulations and standards to avoid reputational damage. Also enhance transparency, regularly publish ESG reports, and publicly disclose climate risk management and green, low-carbon practices.



Risk Type	Risk Description	Countermeasures
	Investors are increasingly focusing on the green and low-carbon performance of enterprises and their climate risk management capabilities, which directly affect their market valuation and financing capabilities.	Strengthen climate risk management and actively respond to climate change to ensure sustainable development. Keep transparent communications with investors, and regularly share ESG performance and climate strategy progress to enhance trust. Meanwhile, build a green brand image and enhance market reputation by participating in community environmental protection projects and social responsibility activities.

2.5.4 Metrics and Targets

To implement the long-term climate change strategy, the Group actively executes climate change management by adopting energy consumption and greenhouse gas emissions as key indicators for measuring climate change management level. Environmental targets have been established (refer to Section 2.4 Green Operation for details). The Group continuously monitors and evaluates relevant metrics and targets (see Key Performance Table for details), analyzes progress in climate change response and target achievement, and iteratively refines energy-saving and carbon reduction initiatives.



**Creating Excellence
with Craftsmanship
Quality**

3 Creating Excellence with Craftsmanship Quality

The Group upholds the brand philosophy of “passion for perfection”, adheres to the product concept of prioritizing quality and safety, grows together with customers and partners, empowers with technology, contributes to business innovation by means of intelligent technology, and promotes the digital transformation and upgrade of the industry and the Group.

3.1 Quality Innovation

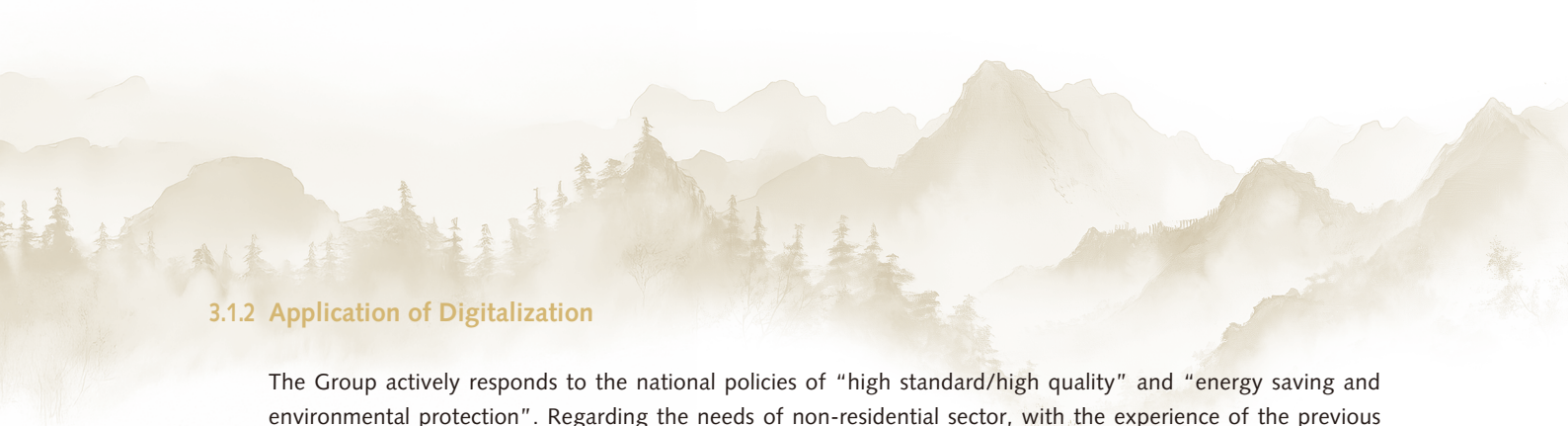
The Group always adheres to the management philosophy of “quality first”, sticks to the product quality and is committed to providing customers with high-quality houses. Guided by the national digitalization and informatization policy, the Group continues to promote the digitalization construction of project management and conducts online lifecycle control of construction quality.

3.1.1 Quality Management

The Group formulates internal control documents such as the “*Standard Practice for Leakage Prevention of Sunac Group* (《融创集團防滲漏標準做法》)”, the “*Application Guidelines for Prefabricated Building of Sunac Group* (《融创集團裝配式建築應用導則》)”, the “*Internal Control System for Process Quality Control of Sunac Group* (《融创集團過程質量管控內控體系》)” and the “*Project Delivery Evaluation System of Sunac Group* (《融创集團項目交付測評體系》)” in accordance with relevant national quality standards and norms to guide the planning and implementation of projects in the process of project construction management and standardize project construction standards, and specifies the contents and requirements of project material inspection in special systems such as the “*Regulations on Project Material Inspection Management of Sunac Group* (《融创集團工程材料檢查管理規定》)” to ensure that the scope and quality of project materials used meet relevant national norms and requirements. As of the end of 2024, the Service Group has obtained ISO 9001 Quality Management System certification. The Service Group also obtained ISO 41001:2018 Facility Management System certification in 2024.

The Cultural Tourism business segment has dedicated quality and safety management departments in its professional companies and project companies, which are responsible for establishing quality and safety standard systems and evaluating project quality. In order to ensure quality management, the Cultural Tourism business segment formulates several quality management systems, technical standards and the case base of quality problems in the implementation of special projects according to the project requirements, which set up a complete production quality supervision process and carry out the whole process of pre-management of products, with quality results evaluated with rewards and punishments, and an improvement mechanism is implemented according to the results, achieving comprehensive quality assurance for projects in six dimensions, including organization quality assurance, supply chain quality assurance, quality assurance upon project design, construction and acceptance, headquarters sampling and inspection, third-party evaluation, operation supervision and problem elimination.

In 2024, the Group did not recall any product due to unqualified quality inspection.



3.1.2 Application of Digitalization

The Group actively responds to the national policies of “high standard/high quality” and “energy saving and environmental protection”. Regarding the needs of non-residential sector, with the experience of the previous work, the Group establishes the prototype of lifecycle digital construction mode with BIM application as the carrier, and achieves BIM for the whole process of design and construction, which lays the technical foundation for the project to improve the production efficiency, enhance the design quality and perfect the construction refinement management.

The platform for drawing designed and reviewed facilitates refined construction management and enables integrated operation and handover with the digital model:

- The drawings versions are managed in an orderly way, changing the previous situation where version management was chaotic and information synchronization was not timely;
- Revise and track design problems to prevent problems from being revised improperly;
- Achieve precise management through problem classification and statistical analysis, the data feedback to management system and the technical standard system;
- Horizontal benchmarking analysis of multi-project drawings management quality.

The Group continues to build a digitalization construction model for the entire life cycle and promotes the intelligent project management platform of “Sunac Intelligent Construction (融創智造)” in the construction process, realizing full coverage of 25 modules on quality, safety, progress, personnel, evaluation and assessment of projects, and formulating the “*Sunac Intelligent Construction Usage Management Regulations (《融創智造使用管理規定》)*” for standardized management.

In 2024, the Group consistently promoted the construction of the Sunac Intelligent Construction smart site platform, which integrates monitoring, laser measuring instrument, bluetooth plate thickness measuring instrument and other IoT devices, achieving digital management of progress, quality, safety and risk analysis from all aspects, and assisting the management in decision making with the big data platform. At the same time, it empowers managers, producers and participants at all levels to become users of the Sunac Intelligent Construction Platform, and provides real-time guidelines for accessing, collecting and applying data information and participating in training.

3.2 Safety and Health

The Group takes health and safety as its first priority, establishes and improves its safety management system, and is committed to providing healthy, safe and high-quality products and services to its customers. At the same time, the Group regards the protection of health and safety as one of its strategic red lines, promotes safety culture construction, and makes every effort to protect the occupational health and safety of its employees.

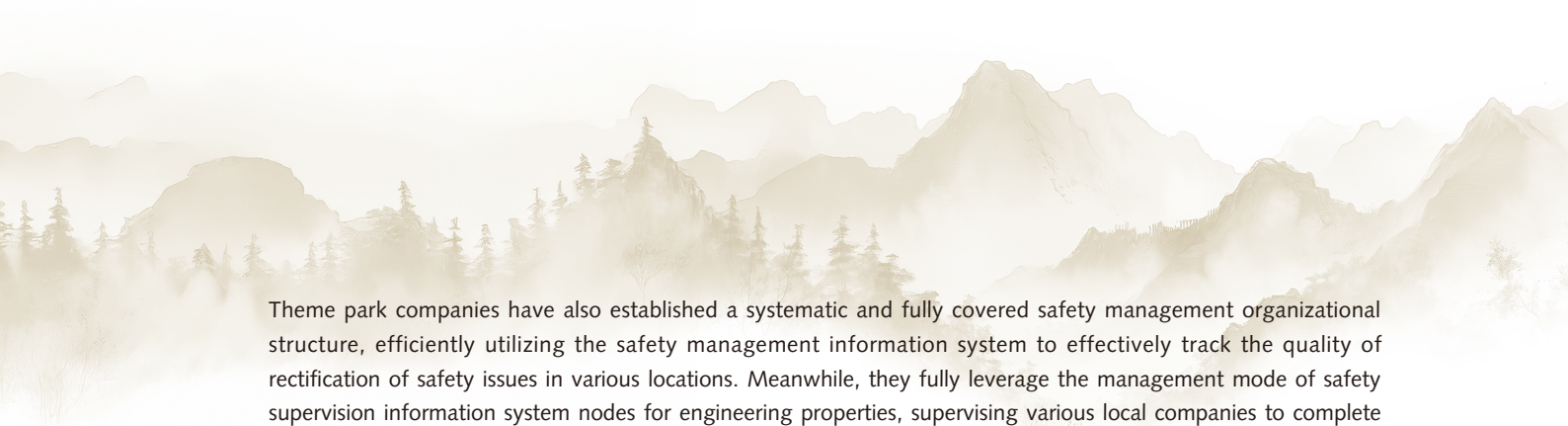
3.2.1 Safety Management System

The Group strictly complies with the "Fire Prevention Law of the People's Republic of China (《中華人民共和國消防法》)", "Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)", "Regulations on the Reporting, Investigation and Handling of Production Safety Accidents (《生產安全事故報告和調查處理條例》)", "Provisions on the Supervision and Inspection Over Fire Protection (《消防監督檢查規定》)", and other national laws and regulations as well as industry standards. The Group also constructs internal systems and management structure for project construction and operation, so as to regulate the execution process of project quality and safety management, strengthen the risk control in project construction, and improve the level of project safety management. The Service Group continuously strengthens occupational health and safety management and has obtained ISO 45001 Occupational Health and Safety Management System certification.

The Group established a healthy and safety management structure from the decision-making level to the execution level. The executive Director and the Chief Executive Officer is responsible for the coordinated management of health and safety affairs, and coordinates and deploys the strategic and annual work related to the health and safety. As the health and safety strategy formulation and supervision body of the Group, the Health and Safety Committee is responsible for setting the health and safety strategy and performance. In the terms of the management level, the Health and Safety Committee authorizes the Real Estate Operation Center to perform daily management duties. The Real Estate Operation Center has set up the Quality and Safety Working Team, which is responsible for the health and safety of employees, suppliers, contractors and other partners, and organizes regular occupational health and safety training in collaboration with the Organization Development Department and reports the work progress to the Health and Safety Committee periodically.



Health and Safety Management Structure



Theme park companies have also established a systematic and fully covered safety management organizational structure, efficiently utilizing the safety management information system to effectively track the quality of rectification of safety issues in various locations. Meanwhile, they fully leverage the management mode of safety supervision information system nodes for engineering properties, supervising various local companies to complete relevant rectification work with high quality within the prescribed time. In addition, theme park companies have compiled the “General Safety Management Regulations of Theme Park Companies (《主題娛樂公司通用安全工作管理規定》)” and the “Implementation Measures for Safety Work of Theme Park Companies (《主題娛樂公司安全工作實施辦法》)” based on their own business type and operational characteristics. They cover six major scenarios of safety management in theme park companies, including safety objective management, safety training management, hidden danger investigation and governance management, operation process safety management, emergency plan management, and safety performance management, clarifying the safety control standards of theme park companies and standardizing various hazardous operation processes. In 2024, Theme Park companies revised the “Safety Management System (《安全管理制度》)” based on operational needs, integrated related functions based on organizational restructuring, and precisely optimized safety responsibilities.

Bonski companies developed a safety standardization framework tailored to their business model, clarifying regional subsidiaries' primary safety responsibilities. A safety management leadership team was established, with top-down signing of safety responsibility agreements to decompose overall safety objectives and hierarchical levels, reinforcing a comprehensive accountability system. Additionally, Bonski companies updated the “General Safety Management Regulations for Bonski Operations (《熱雪奇蹟運營期通用安全工作管理規定》)”, “Safety Penalty Management Measures for Bonski Operations (《熱雪奇蹟運營期安全處罰管理辦法》)”, and “Mandatory Safety Protocols for Bonski Operations (《熱雪奇蹟運營期安全強條》)”, while guiding subsidiaries to refine localized safety rules and regulations, operational procedures, and practical emergency plans. Through a dual preventive mechanism of hierarchical control of safety risks and hazard investigation and management, they ensured safe operations of equipment and facilities, standardized personnel practices and effective protective measures.

In terms of occupational health and safety management, the Group earnestly implements occupational health management, optimizes the working environment of employees, focuses on employees' occupational health, strictly complies with the “Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)” and formulates the “Health and Safety Policy of Sunac (《融創健康與安全政策》)” with reference to the “Occupational Health and Safety Management Systems Requirements with User Guidelines (《職業健康安全體系要求及使用指南》)”, and extends the policies to cover all employees, suppliers and contractors. The Group regularly surveys the health and safety performance and feedback of suppliers and employees, constantly improves various policies, enhances the Group's ability to care for the health and safety of relevant personnel, strives to achieve the goal of zero fatalities for all employees, suppliers and contractors, and effectively protects the health interests of all employees, suppliers and other partners. In the past three years, the Real Estate Group had no work-related fatalities. In 2024, the Real Estate Group suffered 2 work-related injuries and 28 working days lost due to work-related injuries.

The Group's Health and Safety Goals:

- ✓ Committed to achieving the goal of zero fatalities, for all employees, suppliers, contractors and other partners of the Group;
- ✓ Full coverage of health and safety training for all employees and contractors of the Group.

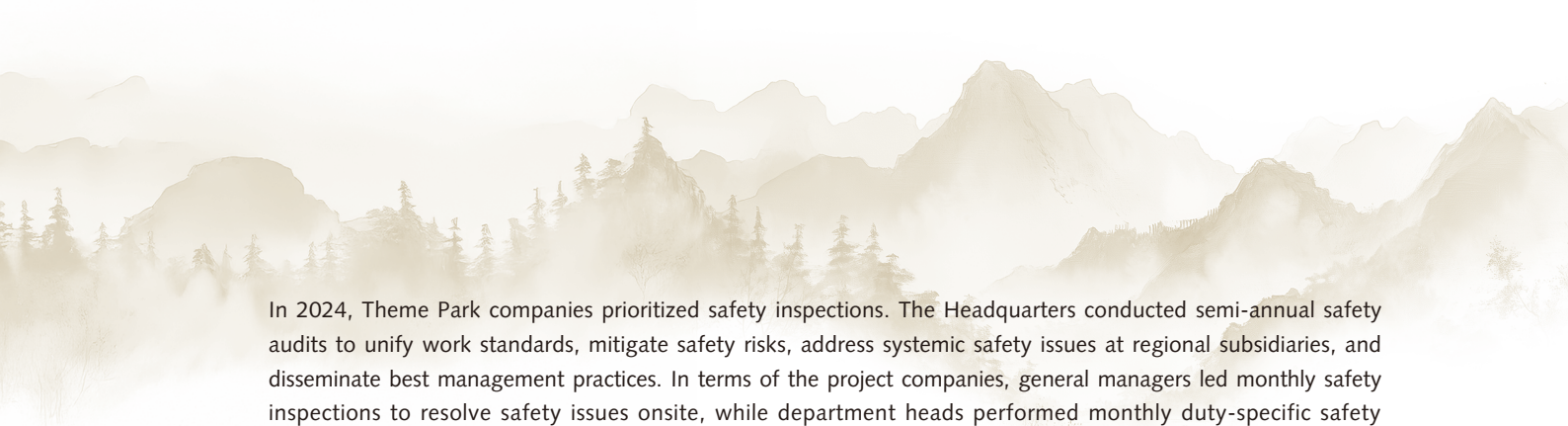


3.2.2 Safety Management Measures

The Group has improved its health management measures from project production administration to daily operation, from management personnel to general employees, and has continuously reviewed and updated its management objectives, workflow and plans and implementation proposals related to occupational health and safety, and incorporated the management objectives into the performance evaluation indicators and reward and punishment program of relevant management personnel and executives.

Regarding safety of project production, the Group continued to strictly implements internal management systems such as the "*Safety Management Bottom Line of Sunac Group* (《融創集團安全管理底線標準》)" and the "*Measures of Sunac Group for Investigating the Accountability of Work Safety Accidents* (《融創集團安全生產事故事件責任追究管理辦法》)", which covered all business segments and suppliers, and emphasized construction safety requirements in the general contracts and subcontracts. The Group has also formulated the corresponding safety management bottom line and accountability system to continuously strengthen the management and optimization of the staff deployment, special equipment, accountability mechanism and online application, etc. and also stipulated the responsibilities of the first responsible person for project safety, the accident reporting process and the conditions for derogation of responsibility as well as the accountability and punishment level for safety accidents and accident concealment, comprehensively improving the safety control of project construction, in accordance with the "*Measures of Sunac Group for Investigating the Accountability of Work Safety Accidents* (《融創集團安全生產事故事件責任追究管理辦法》)" and the "*Evaluation and Incentive Program for the Project, Operation and Customer Relations Systems of Sunac Group* (《融創集團工程、運營及客關體系考核激勵方案》)". While strictly ensuring work safety of all business segments, the Group has specified requirements for suppliers' material selection criteria, equipment and facilities, production processes, accident management and emergency measures, and conducted strict qualification pre-approval for contractors, including but not limited to: qualification certificates of contractors, safety production management organizations, safety production management systems, safety operating procedures, certification of safety production management personnel, and qualification certificates of special operation personnel. Simultaneously, we enhance safety training during the construction process, and monitor contractors' health and safety indicators and risk exposure on a regular basis to ensure the safety of the construction and operation.

In daily operations, the Group consistently focuses on the rights and interests of employed staff, ensuring a safe working environment that meets national occupational health requirements. We purchase insurance for employees, provide personal safety protective equipment, and comprehensively protect the occupational health and safety of our staff. The Company conducts regular on-site safety supervision inspections of various projects, covering aspects such as workplace safety, occupational health hazards, safety of equipment and facilities, records of safety-related duties, and safety-related materials. In the event of disputes related to occupational health and safety, reports of violations, or work-related accidents, we assist and support relevant entities in analyzing investigation results, urging them to conduct thorough reviews and reflections, while supervising them to complete rectification measures.



In 2024, Theme Park companies prioritized safety inspections. The Headquarters conducted semi-annual safety audits to unify work standards, mitigate safety risks, address systemic safety issues at regional subsidiaries, and disseminate best management practices. In terms of the project companies, general managers led monthly safety inspections to resolve safety issues onsite, while department heads performed monthly duty-specific safety compliance checks. To verify the implementation of safety emergency plans, Theme Park companies conducted drills for fire emergencies, injuries, aerial ride malfunctions, food poisoning, and utility outages, enhancing emergency response capabilities of the staff. Bonski companies organized 188 safety inspections of the snowfields in 2024, ensuring that the venues and equipment were in good condition; and conducted 401 safety emergency drills, fully fortifying the operational safety line.

3.2.3 Improving Safety Performance

The Group is committed to developing and applying new technologies and methods that facilitate safe operational performance, and incorporating the safety production concept into every aspect of its operations to continuously improve safety performance and achieve the goal of “zero fatalities”. During the construction, the Real Estate Group gives priority to safety and environmental protection technologies such as interspersed construction and new technology of well type construction lift, which achieves the overall improvement of safety performance, environmental benefits and construction efficiency while ensuring quality.

In daily management of project safety production, the Real Estate Group insists on holding safety training meetings for all projects with employees of construction companies every morning, and regularly organizes safety management trainings and internal appraisal at different levels, and regularly organizes communication and theme trainings on product quality and safety for various regions/city companies. In 2024, the coverage of safety trainings for employees and contractors of the Real Estate Group achieved 100%, thereby achieving management empowerment and joint improvement across different regions; at the same time, it continues to optimize online evaluation tools and gradually establishes a smart site platform to further promote the application of digital and online systems in safety management.

Each professional company pays great attention to the promotion and implementation of the safety management system. In 2024, Theme Park companies leveraged safety training mechanisms and internal learning platforms to provide comprehensive and convenient support for employees' self-learning, elevating their safety awareness and reducing health and safety incidents. In 2024, Bonski companies conducted 130 safety training sessions, achieving a 100% qualification rate for pre-employment safety training and assessments for new employees.

Case: Theme Park Safety Training Activities

In 2024, to promote safety knowledge, enhance employees' safety awareness and emergency response capabilities, Theme Park companies conducted the following safety training initiatives:

- Inviting technical personnel from equipment manufacturers to provide on-site guidance and training, improving the professional skills of frontline employees operating large-scale amusement facilities;
- Collaborating with local emergency management departments during safety campaigns such as "Safety Production Month" and "119 Fire Awareness Day", organizing fire safety lectures, training sessions, and full-participation fire emergency drills with fire departments.
- Displaying safety promotion videos in high-traffic areas such as office buildings, cafeterias, outdoor LED screens, hanging safety culture banners, and hosting activities including safety knowledge competitions, safety examinations, laws and regulations popularization, and specialized inspections.



Technical guidance from equipment manufacturers



Inviting fire departments to offer fire safety knowledge training



Fire Awareness Day



Emergency drills for large-scale amusement facilities



Collaborating with hospitals to conduct high-altitude evacuation drills

Case: Bonski Safety Production Month Campaign

Bonski companies actively responded to the Group's call for safe operations by organizing the 2024 Safety Production Month campaign. Regional leadership planning teams were established to create a safety-focused atmosphere, conduct specialized safety training sessions, analyze typical accident case studies, organize targeted safety inspections, and implement emergency drill activities. These comprehensive efforts aimed to elevate safety awareness across all levels and fully embody the principle of "Everyone Prioritizes Safety, All Can Respond to Emergencies – Ensuring Unobstructed Life Channels".



Safety Production Month Themed Promotions



Specialized Safety Trainings



Emergency Response Drills



3.3 Customer-Centric Concept

On the basis of continuously improving the customer service system and protecting the customers' data and privacy, the Group strengthens the customer awareness of each responsible organization according to the customers' needs and opinions, and provides the customers with quality products and services.

3.3.1 Improve Customer Experience

Focusing on customers, the Group has deeply explored into “Cloud Customer”, an independently developed customer relationship full-business operation system running through the whole business process of customer service. It provides customers with services covering the entire pre-sale, in-sale and post-sale lifecycle. It has also achieved “digital intelligence” empowered business model by comprehensively analyzing customer needs, updating and upgrading various service measures.

The Group has set up a service quality monitoring and evaluation system for each business type, and conducts a full process evaluation of customer experience through the combination of multi-channels online and offline. From the perspective of product experience evaluation of customer, result analysis, target setting and improvement according to suggestion, the Group has set up a full-cycle touch point research mechanism for all projects it developed and participated in cooperation and used the Sunac brand, and keeps pursuing higher targets and better customer reputation.

The Group has sorted out key customer experience touchpoints across all business segments, establishing customer satisfaction as a critical benchmark for evaluating products and services. Utilizing comprehensive and efficient methods such as initial online questionnaire surveys and follow-up 400 hotline surveys, the Group assesses these touchpoints, monitors key performance metrics, analyzes customer service experiences, and identifies issues by leveraging satisfaction scores and direct customer feedback. This enables the formulation of targeted solutions to address progress toward goals and major customer concerns.

In terms of project delivery, the Group upholds its commitment to property owners and corporate social responsibility across all stages from centralized planning to orderly implementation. Prioritizing production efficiency, timely delivery, and quality assurance, the Group continuously fulfils its promise to build ideal houses for property owners.

Case: Quality Delivery – Building Exemplary “Quality Houses”

Houses embody the hopes and trust of property owners. In 2024, the Group delivered approximately 170,000 houses (totaling 24.672 million square meters), steadfastly honoring its pledge to create quality living spaces.

In October 2024, Tianjin Beyond Mansion was delivered. From pre-delivery quality inspections and multi-department joint approvals to user-friendly circulation planning, partitioned service processes, and clear on-site guidance, every detail was optimized for great excellence.



Tianjin Beyond Mansion

2024 marked a milestone for the Group's quality delivery in Anhui Province. The Wuhu Beijing Road One Project has reinforced its philosophy of “Craftsmanship and Reliability for a Promising Life”, delivering houses that have surpassed expectations and solidified trust to property owners.



Wuhu Beijing Road One

During the operation of theme park projects, the Group has also taken various measures to continuously improve customer service quality. The Group organizes random inspections from time to time, with employees from the headquarter of Theme Park companies conducting undercover visits throughout the entire process to various formats as mystery guests to collect information on customer service, arts activities, environmental hygiene, and park image. Inspection reports are then formed, and third-party customer opinion analysis tools are developed to assist evaluation, driving continuous iteration of on-site operational service standards in various business formats and enhancing service quality.



Visitor Farewell Service at Closure

Bonski has comprehensively iterated and upgraded its online membership platform, providing a more user-friendly and considerate service experience for skiing enthusiasts, and carried out green skiing services:

- ✓ The membership ecosystem service matrix has expanded to WeChat Mini Programs, Alipay Mini Programs, and the Bonski APP, aligning more closely with users' accustomed online paths;
- ✓ Streamlined usage pathways for more convenient operation processes;
- ✓ Enriched user-side page display content, providing snow resort business information, detailed introductions to snow resorts, snow resort guide, and other information to help users easily plan the entire skiing process;
- ✓ Integrated with Ant Forest's green energy initiative, Bonski encourages customers to rent ski equipment by rewarding them with green energy points, while also offering a snowboard recycling service.

In offline snow resort operation services, Bonski has not only formulated standardized service procedures but also upgraded specific service items for each snow resort based on on-site requirements to enhance product competitiveness:

- ✓ Continuously refine processes and standards, explain service standards through online direct connection, organize standard process touchpoint training and assessments, and guide employees to provide users with a better offline service experience;
- ✓ Continuously enhance the snow resort's characteristic service experience elements, such as providing heated snowsuits for some early morning customers, transforming discarded snowsuits into souvenirs for ski enthusiasts, and offering ice painting services for children. The satisfaction rate for characteristic services in customer surveys reached 98%;
- ✓ Regularly update ski trails and snow play zone attractions to enhance product competitiveness and maintain novelty, thereby improving public platform ratings and boosting visitor satisfaction.



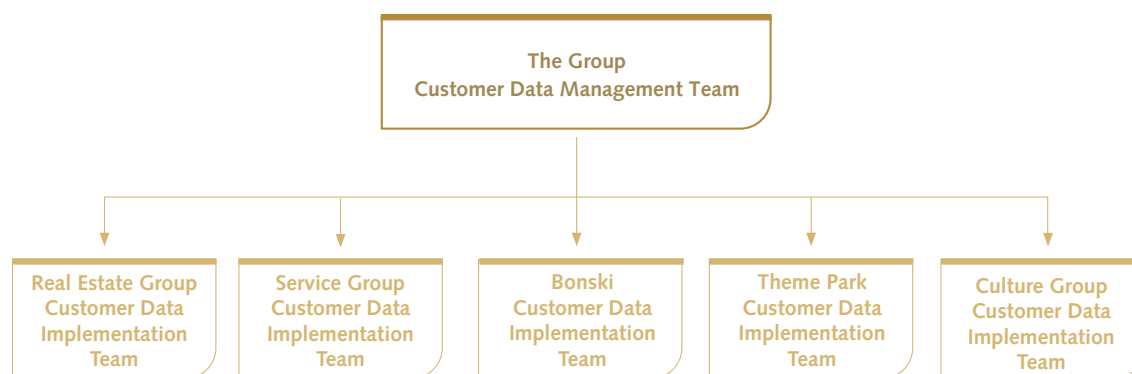
Ice Painting Innovation Event



Snow Play Zone Renovation & Upgrade

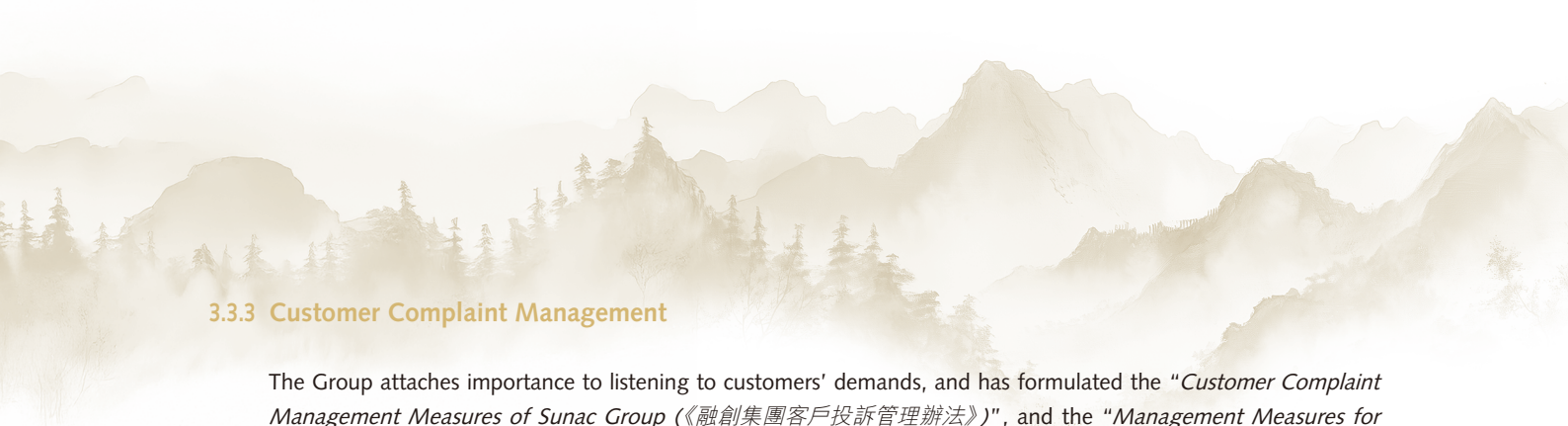
3.3.2 Customer Privacy Protection

The Group formulates policies for the protection of customers' privacy and personal information in accordance with the "Law of the People's Republic of China on the Protection of Personal Data (《中華人民共和國個人信息保護法》)" and other laws and regulations, and strengthens internal management requirements for the collection, storage, use, processing, transmission, provision and disclosure of data with reference to the "Data Security Law (《數據安全法》)". The Group has established a virtual customers management organization for the Group – the Customer Data Management Team, which is led by the Real Estate Group Operation Center's Project Management Team and jointly composed of the Digital Technology Department and relevant departments of Bonski and Theme Park companies. It is responsible for the establishment, improvement and optimization of the customer data management system, the establishment of the Group's central customer database and the customer interconnection platform, the audit, processing, display and security management of customer data, and the provision of guidance to promote the online use of customer data of various business segments. Under the guidance of the Customer Data Management Team, each business segment sets up a virtual organization of Customer Data Implementation Team, which is responsible for the implementation of the customer data system, data management and modification, and the interconnection of customer's business systems with the Group's central customer database.



Customer Data Management Structure

The "Cybersecurity Policy of Sunac (《融創網絡安全政策》)" formulated by the Group stipulated relevant requirements on the centralization, connection, identification and use of data to ensure the compliant use of customer data across the Group, regions and business segments, and to strictly comply with the approval process for the use of customer data. In addition, the Group has formulated data security regulations, which clearly stipulate the account information, service names and ports, information encryption, password change frequency and external customer data interconnection methods of customer's business systems database, and require additional file security restrictions on customer data, signing of customer data confidentiality agreements between the two parties when interconnecting with third party system data, and conducting data masking for customer base data.



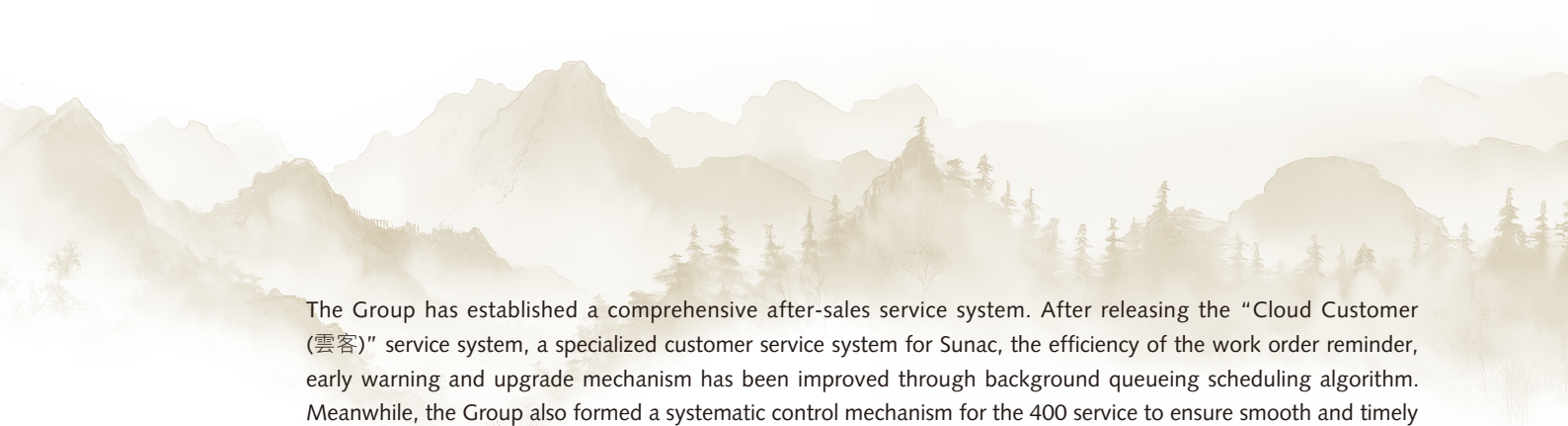
3.3.3 Customer Complaint Management

The Group attaches importance to listening to customers' demands, and has formulated the "*Customer Complaint Management Measures of Sunac Group* (《融創集團客戶投訴管理辦法》)", and the "*Management Measures for the Standardization of Daily Customer Reporting Services of Sunac Group* (《融創集團客戶日常報事服務規範管理辦法》)" and other systems, which set out detailed requirements for the handling of customer complaints and inquiries, the classification standards of complaints, and the handling of urgent matters. In addition, the Group has established an upgrade mechanism of "Project-City-Region-Group" to increase the requirements for quick response to major customer incidents. The Group has established an "emergency incident" reporting mechanism, closely monitoring and actively addressing sudden customer complaints.

The Group has established a multi-node customer complaint risk management and control and customer complaint management system:

- In order to reduce the occurrence of complaints in advance, the Group has set up a risk preintervention management process, and added third-party maintenance and spare parts resources inspection procedures, pre-delivery customer handling procedures, improvement of sales commitment risks and other standards to the "*Delivery Risk Assessment Standards of Sunac Group* (《融創集團交付風險測評標準》)" to strengthen the standards for risk prevention and control in advance;
- During the construction process, the Group carries out a comprehensive process evaluation for the projects and implements a strict approval system for design changes to ensure the quality of the projects;
- During the sales process of the projects, the Group requires each sales office to display the "*Sincerity Notice* (《臻心公告》)" to its customers, which covers reminders of adverse factors inside and outside the red line and other important information of the projects, and includes the contents of the notice in the sales contract to ensure that customers are fully informed;
- The Group provides professional complaint channels for property owners to through the service hotline 400 to lodge complaints, request repairs, and seek advice.

Through the expansion of service channels, the adoption of pre-consultation and comprehensive coverage of problems in various scenarios, the Group has been able to achieve advance understanding and internal communication of questions that may be raised by customers, to improve communication efficiency and information accuracy, and analyze the causes of problems and formulate improvement plans by conducting a retrospective analysis of customer complaint cases from various regions to minimize the risk of complaints in an all-round manner.



The Group has established a comprehensive after-sales service system. After releasing the “Cloud Customer (雲客)” service system, a specialized customer service system for Sunac, the efficiency of the work order reminder, early warning and upgrade mechanism has been improved through background queueing scheduling algorithm. Meanwhile, the Group also formed a systematic control mechanism for the 400 service to ensure smooth and timely access to and high-quality service of the hotline. To provide customers with high-quality professional services, the Group continuously improves the standardized quality training system for the customer service team, builds intelligent and convenient system tools, stipulates clear management and assessment indicators, manages and controls the answer rate, personnel efficiency, participant satisfaction, quality inspection results, first-time resolution rate and other dimensions, pays attention to the service quality of each region through daily data analysis and communication, and regularly conducts special analysis and formulates special improvement plans to continue to improve the overall satisfaction rate of the customer service center.

During project operations, Theme Park companies have optimized complaint management and control measures in alignment with market trends, focusing on resolving typical issues to ensure visitors' reasonable demands are satisfactorily addressed. Bonski companies established the “*Bonski Visitor Complaint Management Measures* (《熱雪奇蹟遊客投訴管理辦法》)”, refining handling procedures, enhancing monitoring mechanisms, and expanding customer complaint authority to maximize complaint resolution efficiency and elevate customer satisfaction.

In 2024, the Real Estate Group received a total of 10,947 complaints from customers; while the Theme Park and Bonski companies received a combined total of 1,039 complaints from customers, with a 100% complaint closure rate and a customer satisfaction rate of 99.4%.

3.3.4 Responsible Marketing

The Group adheres to the operational philosophy of responsible marketing and strictly complies with the “*Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》)”, the “*Provisions on the Release of Real Estate Advertisements* (《房地產廣告發佈規定》)” and local policies and regulations, carefully reviews the content of advertisements, makes sure that advertisements are true, legal and accurate, and avoids advertisements containing seriously distorted contents. The Group strictly audits the sales materials, including whether the promotional terms comply with relevant laws and regulations, whether the basic information of the materials is accurate, whether the disclaimers comply with laws and regulations and internal management regulations, whether the data quotation and use of pictures are accurate or there is risk of infringement, etc.; sets up a project inspection team to complete project site inspections according to the progress of projects.

Through the professional risk pre-intervention work covering the whole process of project, the Group focuses on the control of each major node and timely warning, eliminating most of the potential complaints in the early stage and ensuring the provision of good products and services for customers. The Group conducts relevant training for the sales team according to the construction and sales progress of the projects, carries out risk checks at the sales stage, and requires relevant displays and materials to be strictly approved with disclaimers to ensure truthful displays.




3.4 Responsible Supply

The Group takes suppliers as important partners and implements a full lifecycle management process for suppliers from entry, evaluation to withdrawal. The Group has established a standardized supply chain management system, comprehensively incorporating environmental and social factors into the evaluation and management of the supply chain, and continues to practice the concept of sustainable procurement.

3.4.1 Supplier Management

For the purpose of optimizing the supplier management system and strengthening the prevention and control of environmental and social risks in the supply chain, the Group has formulated the *"Supplier Management Regulations of Sunac Group (《融创集團供應商管理規定》)"*, setting up a standardized workflow for supplier management, specifying the responsibility system of all relevant departments of the Group for supplier management as well as the whole process management model of supplier from sourcing, review, entry, selection, process management and performance evaluation, etc., which will be continuously improved in accordance with the business development and potential risks in the supply chain.

- The Group requires all suppliers to provide a signed and valid *"Supplier Integrity Commitment Letter (《供應商廉潔承諾函》)"* before the selection inspection and to sign the *"Supplier Integrity Agreement (《供方廉潔協議》)"* at the same time when entering into the contract, which requires suppliers to establish a sound self-discipline system, carry out integrity education, publish channels for whistle-blowing, supervise and carefully investigate and deal with illegal, non-compliant and disciplinary offence acts.
- The Internal Audit and Supervision Department is responsible for the long-term supervision of suppliers and the implementation of supervision for potential irregularities and frauds in all aspects, and receives whistle-blowing from suppliers at any time and handles relevant whistle-blowing in accordance with the regulations.
- According to the regulations on supplier management, the Group classifies and grades its suppliers according to category, procurement value and risk impact, and stipulates the principles of rewards and penalties in accordance with the grading criteria, as well as differentiated management of suppliers based on the classification and grading.
- For suppliers at the elimination level, the Group will carry out annual inventory write-off for them or directly include them in the blacklist for the corresponding period, and subsequently handle them in accordance with the blacklist management regulations.



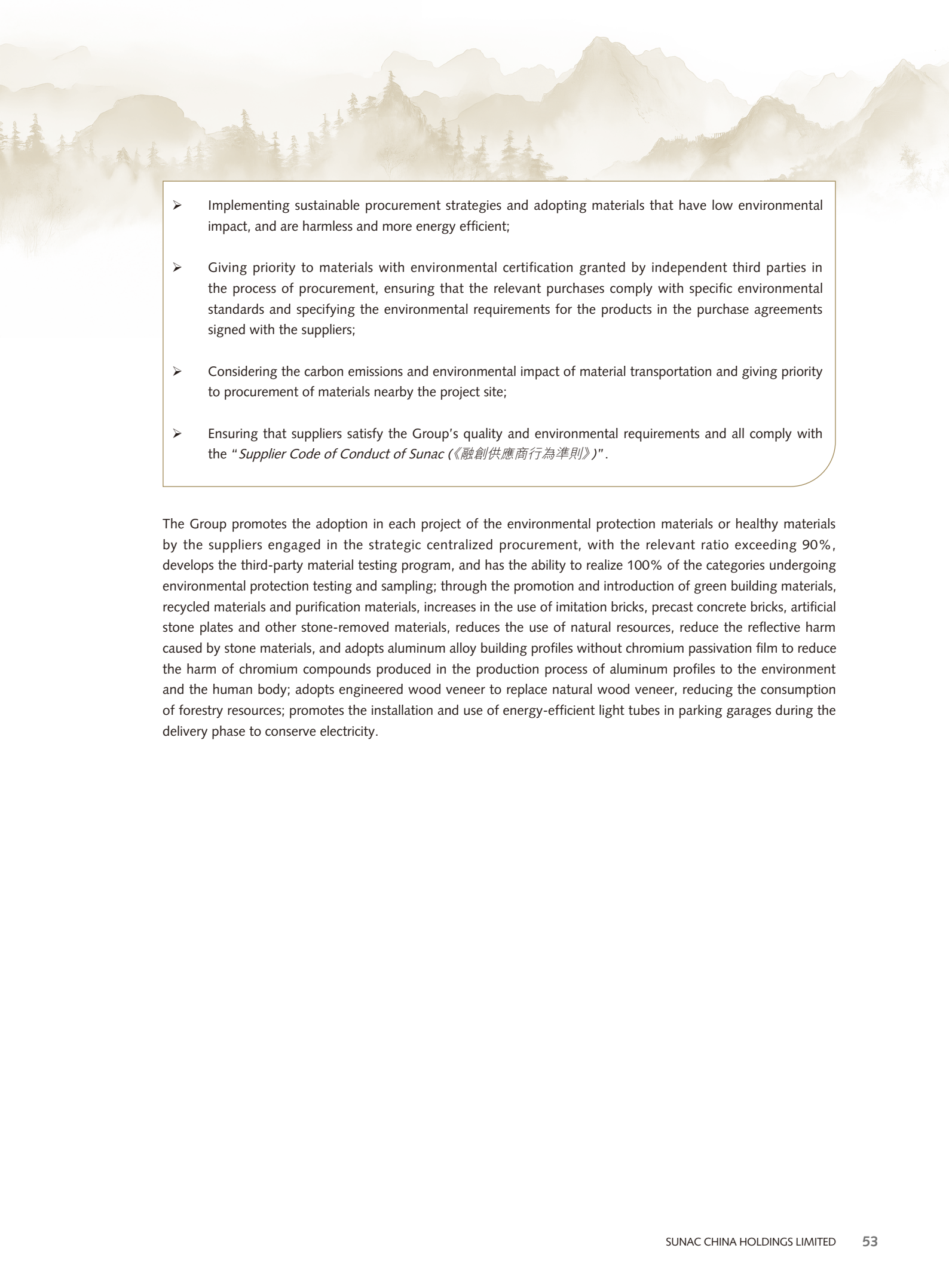
The “*Supplier Code of Conduct of Sunac* (《融創供應商行為準則》)” established by the Group clearly stipulates the minimum requirements for suppliers to comply with in terms of environmental protection, lawful employment, safe operation, safeguarding intellectual property rights and business ethics, and requires all cooperative suppliers to comply with these requirements so as to achieve effective prevention and proper handling of environmental, social, and governance risks in the supply chain. In addition, the Group encourages suppliers to strengthen their own ESG performance management, set emission reduction targets, reduce their own carbon footprint, strengthen communication and exchange with employees in labor management, and actively obtain ESG related certifications. As at the end of 2024, approximately 52% of suppliers of the Group had the ISO 14001 Environmental Management System certification, approximately 57% of the suppliers had the ISO 45001/OHSAS 18001 Occupational Health and Safety Management Systems certification and approximately 55% of the suppliers had ISO 9001 Quality Management System certification.

As for supplier communication, the Group has a well-established mechanism for supplier cultivation and relationship maintenance, and adopts a combination of online and offline methods to conduct regular supplier training meetings, special Q&A sessions, special training sessions, separate telephone guidance during contract performance, special topic visits and communication, timely training and guidance for new suppliers and important suppliers. In addition, the Cultural Tourism business segment has compiled materials on the “*Safety Management and Control Training for Cooperative Suppliers* (《合作商戶安全管控培訓》)” and organized safety training for suppliers across the country.

For suppliers who fail to meet quality standards, the Group will make more efforts to rectify them and arrange trainings for them, require them to submit written “*Rectification Measures* (《整改措施》)” after receiving trainings, and will follow up the rectification results in a timely manner and decide whether to cooperate with them again based on whether the rectification results meet standards or not.

3.4.2 Green Procurement

The Group endeavors to build a sustainable supply chain by comprehensively integrating environmental protection, resource saving, safety and health factors into the procurement process. The tender information is simultaneously released on the official website of the Group and publicly announced on the “*China Real Estate Procurement Platform* (中國房地產採購平台)” and “*Toutiao* (今日頭條)”. During the tender process, management levels are enhanced for key categories to ensure fairness, impartiality, and transparency. Electronic signatures are used as much as possible for signing documents during contracting, supply, and construction processes to reduce paper and courier waste and enhance work efficiency. The Group has established a three-tier communication mechanism with suppliers, including top-level communication, regional communication, and project communication. Through organizing supply chain system communications from time to time, the Group delivers the philosophy of green and healthy development to all of its suppliers and partners to strengthen collaboration, achieve win-win cooperation and jointly practice sustainable development. In the “*Environmental Policy of Sunac* (《融創環境政策》)”, the Group has made specific provisions on green procurement and has committed to:

- 
- Implementing sustainable procurement strategies and adopting materials that have low environmental impact, and are harmless and more energy efficient;
 - Giving priority to materials with environmental certification granted by independent third parties in the process of procurement, ensuring that the relevant purchases comply with specific environmental standards and specifying the environmental requirements for the products in the purchase agreements signed with the suppliers;
 - Considering the carbon emissions and environmental impact of material transportation and giving priority to procurement of materials nearby the project site;
 - Ensuring that suppliers satisfy the Group's quality and environmental requirements and all comply with the "Supplier Code of Conduct of Sunac (《融创供應商行為準則》)".

The Group promotes the adoption in each project of the environmental protection materials or healthy materials by the suppliers engaged in the strategic centralized procurement, with the relevant ratio exceeding 90%, develops the third-party material testing program, and has the ability to realize 100% of the categories undergoing environmental protection testing and sampling; through the promotion and introduction of green building materials, recycled materials and purification materials, increases in the use of imitation bricks, precast concrete bricks, artificial stone plates and other stone-removed materials, reduces the use of natural resources, reduce the reflective harm caused by stone materials, and adopts aluminum alloy building profiles without chromium passivation film to reduce the harm of chromium compounds produced in the production process of aluminum profiles to the environment and the human body; adopts engineered wood veneer to replace natural wood veneer, reducing the consumption of forestry resources; promotes the installation and use of energy-efficient light tubes in parking garages during the delivery phase to conserve electricity.

Being People- Oriented to Drive Development



4 Being People-Oriented to Drive Development

The Group regards employees as the cornerstone of long-term development, adheres to the principle of fair, diversified and non-discriminatory employment of talents, continuously improves the talent management system, formulates a rich and diverse training system, creates a harmonious, inclusive and friendly working atmosphere for employees, listens to the voices and demands of employees, cares for employees' lives, ensures the sustainable growth of employees, and creates a better future with employees.

4.1 Talent Protection


Talent has always been the core competitiveness of the Group's sustainable development. The Group employs in accordance with the law, prohibits child labor and forced labor, adheres to equal and diversified recruitment of talents, enriches the recruitment system and protection mechanism, optimizes the internal salary and welfare system, and continuously attracts and retains outstanding talents.

4.1.1 Equal Employment

The Group strictly abides by the "Labor Law of the People's Republic of China (《中華人民共和國勞動法》)" and the "Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)", refers to the "International Labor Conventions", and formulates internal systems such as the "Recruitment Management System of Sunac Group (《融創集團招聘管理制度》)", the "Administrative Measures for Recruited Employees of Sunac China (《融創中國入職員工管理辦法》)" and the "Diversity and Inclusion Policy of Sunac (《融創多元共融政策》)". The Group is committed to creating a diverse and inclusive working environment and development environment for all employees, respecting the human rights of all employees, not discriminating on the basis of the region, ethnicity, race, gender, habits, religious beliefs and other differences of employees, protecting the legitimate rights and interests of employees, and strictly implementing the labor contract system. In 2024, the Group had a total of 36,364 regular employees and 599 non-regular employees, including interns and secondment.

The Group has always adhered to the people-oriented principle, ensuring compliant employment and strictly prohibiting the employment of child labor and compulsory labor. The "Requirements for Management of Employee Entry of Sunac Group (《融創集團入職管理規定》)" formulated by the Group require that the age of the employees hired must be over 16 years old. In the labor contracts signed with employees, it is clearly stipulated that the average working hours of the employees every day and week shall not exceed the time stipulated in the "Labor Law of the People's Republic of China (《中華人民共和國勞動法》)"; if the Group arranges for employees to work overtime due to business needs, it will arrange workday shift leave for rest or pay corresponding labor compensation in accordance with the provisions of the law to safeguard the legitimate rights and interests of employees. In 2024, the percentage rate for entering into employment contracts with the Group's regular employees was 100%, and there were no incidents of child labor or forced labor.

Employees will be dismissed if their behaviours constitute any breach of law, breach of confidentiality, falsification, conflict of interest, damage to the Company's rights and interests, disruption of office order or any other contravention against certain codes of conduct of employees of the Group.



In order to ensure the principle of fair, open and diverse recruitment, the Group adheres to the inclusive and open recruitment values and continuously enriches the recruitment system and safeguard mechanism.

The Measures for the Employment of 2024:

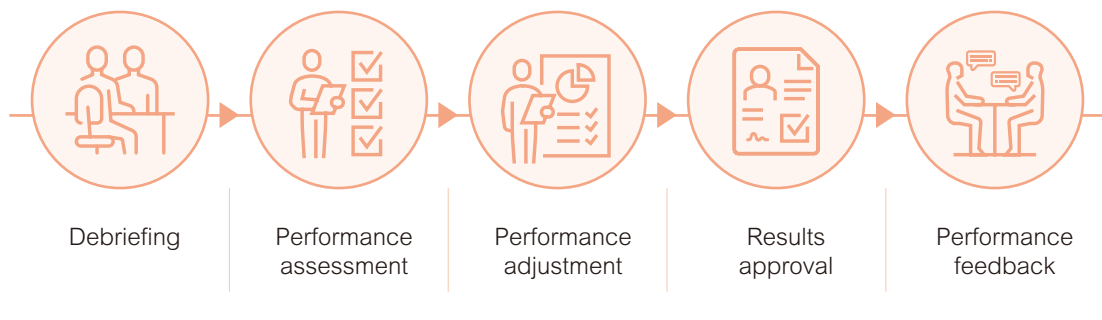
- Through the “Sunac Cloud Recruitment (融創雲招聘)” platform, achieved online recruitment, online interview, and online job offers, and solved the problem of off-site recruitment difficulties
- Social recruitment
- Fresh graduate recruitment
- Re-employment of departing employees
- Cross-sector transfer and competition
- Internal rotation
- Re-employment of retired employees
- Guaranteed placement of the disabled
- Temporary employee recruitment
- Trainee recruitment
- Strengthened cooperation between enterprises and relevant teaching and research institutions
- Optimized the rank development system, training system and talent retention mechanism of in-service employees

In 2024, the Group conducted regular inspections and comprehensively standardized the recruitment process in accordance with the principles and requirements outlined in the “*Standardization Workbook* (《標準化工作手冊》)”. Through popularizing the recruitment principles and system requirements to all companies of the Group through the Standardization Workbook, the Group unified the recruitment operation process and improved the recruitment efficiency. The Group also provided training on and explained the interview methods and the interviewer's behavioral requirements, standardized the interview process, and paid attention to the feelings of candidates throughout the interview process.

4.1.2 Remuneration System

The Group continues to optimize the remuneration composition and continuously improve the remuneration and welfare system. The Group has formulated the “*Measures for Management of Employee Welfare* (《員工福利管理辦法》)” applicable to all employees to clarify the employee welfare standards and welfare item standards, and fully protect fairness. Currently, on the basis of statutory social security and housing provident fund, the Group provides employees with comprehensive subsidies, reimbursement for transportation expenses incurred on business trips, meal allowances, professional title subsidies, and other welfare subsidies to stimulate employee enthusiasm.

The Group is committed to providing competitive remuneration for employees, ensuring that employees' income is closely tied to employees' personal performance and the Company's performance, and boosting employees' motivation. The Group optimizes performance management through measures such as employee performance evaluation and performance feedback when necessary and taking into consideration of the business practice, and encourages managers to provide performance coaching to employees to help their growth. During the performance appraisal, the Group clarifies the performance appraisal process and appraisal methods, and helps employees further enhance their work ability using the outline of the performance feedback interview and the form of performance communication record.



Performance Appraisal Procedure

The Group has also formulated relevant equity incentive plans for management to link managers' management capability with their performance to achieve long-term effective management and sustainable development of the enterprise. Since May 2018, the Group has adopted its share award scheme to motivate incumbent employees who have been determined by the Board to have made significant contributions to the Group's objectives by granting restricted shares, and to spur them on to achieve better performance.

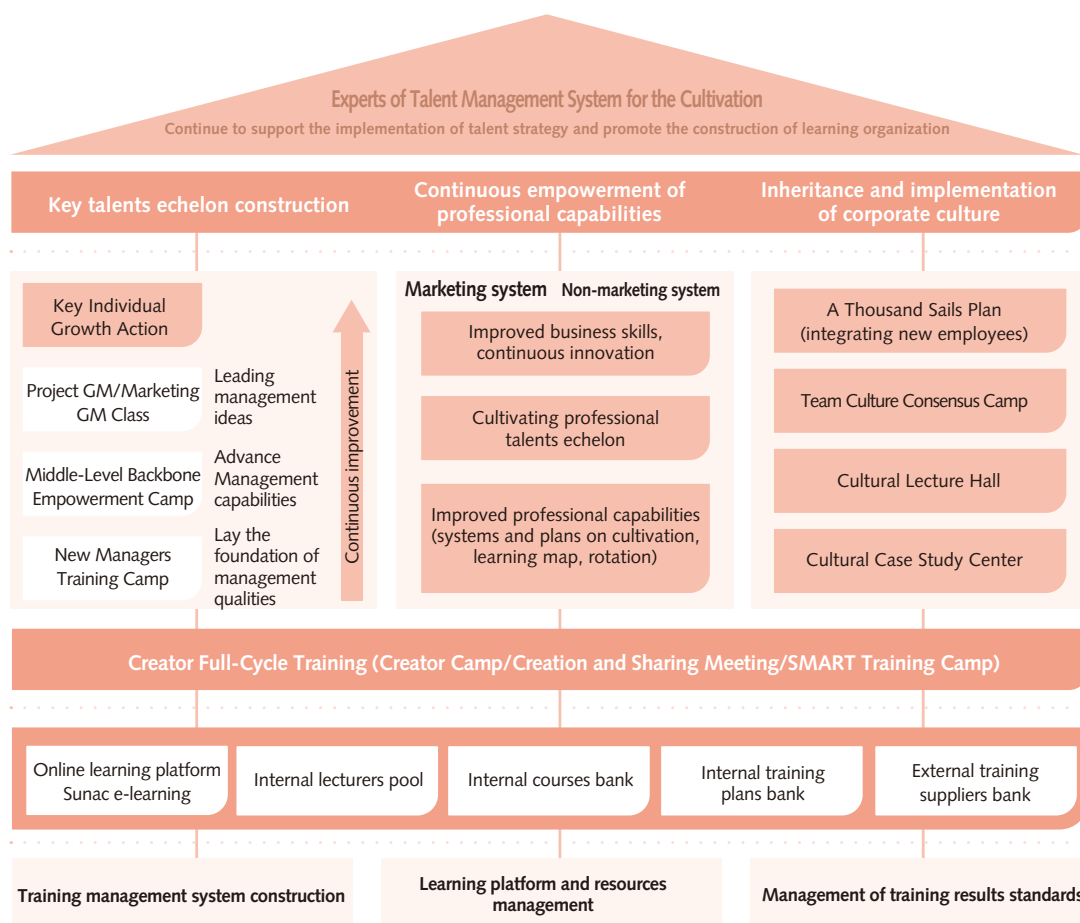
4.2 Talent Cultivation

The Group attaches great importance to the training and development of employees, takes “turning Sunac into a learning organization that continuously cultivates talents, and the cradle of cultivating lifelong learners” as its mission, and manages on the principles of “production on demand, business orientation, voluntary learning, advanced growth, and lifelong learning”, creates opportunities for employees' personal growth, study and development, helping employees improve their professional skills and professional knowledge and creating an organizational system of continuous learning and continuous progress while helping each employee realize his or her value.

4.2.1 Training System

The Group has established an all-around and systematic talent training system to provide employees with a platform for learning and development. In 2024, relying on the "Management Measures for Training" (《培訓管理辦法》), the "Management Measures of Sunac China for Internal Lecturers" (《融創中國內部講師管理辦法》) and the "Management Measures of Sunac China for Internal Course Evaluation" (《融創中國內部課程評審管理辦法》), the Group clarified the orientation and requirements for talent cultivation in the new stage, encouraged the development of internal courses, the certification of lecturers and the active introduction of external training resources, enhanced the practicality and richness of learning resources, and paid attention to the feedback of employees' participation in training and the effectiveness of training. In 2024, the Group's staff training coverage rate was 100%.

Leveraged on the talent development organizations established at the Group's headquarters and each region, the Group provides a variety of training contents for employees of different ranks, different professionals and different key groups. In 2024, the Group focused on an operation training system with three training directions – "key talents echelon construction, continuous empowerment of professional capabilities, and inheritance and implementation of corporate culture", and provided learning and development opportunities for employees at all levels to match the work needs and personal growth needs in different scenarios.



General View on the Training System



4.2.2 Promotion Channels

The Group fully protects that each employee enjoys equal promotion opportunities, continues to standardize and optimize employee promotion procedures, and formulates system documents such as the "*Management Measures for Individual Performance of Sunac Group* (《融创集團個人績效管理辦法》)" and the "*Management Measures for Employee Promotion* (《員工晉升管理辦法》)" to provide systemic and institutional support for employees' career development. The Group establishes a multi-directional and three-dimensional appraisal system to make comprehensive assessments in terms of the employees' performance, personal ability, up-to-standard performance, job matching and cultural recognition, regularly gives promotion to employees who have performed well and met the requirements of the position to which they are promoted. In addition, in order to flexibly combine the promotion mechanism with daily operations, the Group also constantly pays attention to employees who have outstanding abilities and satisfy the needs of job development, and promotes such employees irregularly to further increase the promotion channels of employees.

The Group has always placed great importance on the retention and promotion of internal employees. As a result, most of the management is from internal selection. The Group turns itself to a learning organization by clarifying mechanisms and methods such as career development channels, so that all partners who have joined the Group can grow together with the Company. Through closed-loop management from job positioning to incentives, a mechanism that allows employees room for continuous growth is formed.

4.3 Employee Care

The Group advocates work-life balance, is committed to creating a pleasant working atmosphere, and provides employees with a full range of practical protection, attaches importance to employee communication, actively builds employee communication channels, meets the needs of employees to the greatest extent, and enhances employees' sense of belonging and workplace happiness.

The Group is dedicated to protecting employees' the individual rights and freedom of expression and providing smooth communication channels. The Group formulated the "*Diversity and Inclusion Policy of Sunac* (《融创多元共融政策》)", respecting the rights of employees, including the freedom of associations, joining trade unions, and participating in workers' congress, in accordance with the law. At the same time, the Group opens up a variety of communication channels for employees, creates a simple, direct and transparent communication atmosphere, regularly organizes various activities to listen to the voices of employees and make improvements, and ensures that employees can communicate with management on matters such as the working environment, operation or management issues, and various suggestions and opinions without being threatened.

The Group keeps communication channels open for all parties and listens carefully to the voices of employees:

- Comprehensive information release channels: Employees can keep abreast of the Company's important events and developments as well as other information through the Group's website, internal information system, the internal communication tool, e-mail and the WeChat official account at any time;
- Diversified employee communication channels: The Group opens several communication channels, including employee relation specialists, the labor union and the online robot, to help employees to seek support and offer feedback;
- Open-door and transparent management: The Group has designed open office space for the management to facilitate the communications between employees and management.

Empowering Co-construction of a Quality Life



5 Empowering Co-construction of a Quality Life

Adhering to the development concept of “a better life and social citizen”, the Group actively participates in urban and rural construction and social welfare undertakings, dedicates to establishing a long-term public welfare charity mechanism, fulfills social commitments, assumes social responsibility, promotes social progress, enhances human well-being, and strives unremittingly to create a better home and the happiness of human civilization, while enhancing corporate influence and comprehensive value.

5.1 Urban Development

The Group adheres to the logic and laws of urban development, closely aligning with the overarching urban development goals. By strategically integrating business models with the practical needs of urban construction, we deliver comprehensive and high-caliber solutions for urban development and operation while striving to fulfill urban residents' aspirations for high-quality living.

The Group fully fulfils its social responsibilities, fully promotes the improvement of urban quality, and fosters the harmonious coexistence between humans, nature, architecture, and cities. By extensively engaging in affordable housing construction, brownfield land redevelopment, comprehensive land utilization, and urban renewal services, the Group aims to optimize the living environment, improve the social environment, and protect the ecosystems, thereby contributing to the sustainable development of cities.

Case: Foshan Sunac Peninsula The One

Located in the Sanshui New City CBD of Foshan, the Foshan Sunac Peninsula The One Project establishes itself as a TOD hub city centered around the Guangzhou-Foshan-Zhaoqing Intercity Railway Station. Featuring a five-dimensional transportation system that includes the Guangzhou-Foshan-Zhaoqing railway hub “Sanshui North Station”, along with a bus terminal, subway access, and tram connections, the project ensures rapid connectivity to core cities within the Guangdong-Hong Kong-Macao Greater Bay Area. Furthermore, by fully leveraging the advantages of TOD model, the project seamlessly integrates public transportation with commercial, residential and cultural facilities, delivering residents with convenient urban services and diverse cultural experiences.

As the debut project of Sunac South China Imperial Mansion product line in Sanshui, Foshan Sunac Peninsula The One delivers a high-quality, heart-warming lifestyle that aligns with the city's rapid development, showcasing exceptional design capabilities and comprehensive resource integration.

The project's planning and design thoughtfully address modern urban living needs through innovative and heart-warming living residence that blend Lingnan traditional culture with international aesthetic principles. At the same time, emphasizing ecological sustainability, it capitalizes on its prime riverside location to create triple-layer water landscapes that harmonize Eastern artistic charm with contemporary design sensibilities.



Foshan Sunac Peninsula The One

Case: Guangzhou Sunac Cultural Tourism City Phase II Project

During the land planning phase, the Guangzhou Sunac Cultural Tourism City Project meticulously considered the characteristics and market demands of residential, commercial and cultural tourism sectors. The land was divided into multiple functional zones, including residential areas, hotels, commercial spaces, theatres, and a core cultural tourism industry. This diversified layout has not only addressed diverse resident and visitor needs but also significantly enhanced land resource efficiency, promoted diversification of economic and social benefits, and set a benchmark for comprehensive land utilization.

- **Cultural Tourism Industry:** The project's core focus lies in cultural tourism industry, particularly its flagship product – Guangzhou Bonski. As a pioneering ice & snow sports destination in South China, Bonski has successfully attracted large numbers of tourists, driving the growth of regional ice & snow sports and injecting fresh momentum into the upgrade of Guangzhou's cultural tourism industry;
- **Commercial Amenities:** In addition to cultural tourism industry, the project features comprehensive commercial amenities, gathering renowned brands and dining options to provide convenient and diverse shopping and leisure experiences for visitors and local residents, further boosting the project's overall appeal;
- **Transportation & Infrastructure:** The project has heavily invested in transportation and infrastructure, establishing an efficient five-dimensional transportation network that includes subways, intercity railways, and urban arterial roads, ensuring convenient travel options for visitors. It also offers robust public facilities and service systems, such as parking lots, EV charging stations, and medical emergency stations, thus comprehensively safeguarding visitor safety and comfort.

Guangzhou Sunac Cultural Tourism City adheres to sustainable development principles, enhancing land resource utilization efficiency through its diversified layout, advanced transportation and infrastructure, and significant economic and social benefits, making vital contributions to the socio-economic growth of Guangzhou and Huadu District. Economically, the Guangzhou Sunac Cultural Tourism City Project has obviously driven the development of surrounding industries, including commerce, residential real estate, transportation, finance, dining, accommodation and entertainment, achieving regional industrial upgrading. The project has created numerous job opportunities, directly securing employment stability and well-being for thousands of people. Socially, the project's abundant resources have markedly improved residents' quality of life and enriched citizens' cultural and recreational experiences.



Guangzhou Sunac Cultural Tourism City

5.2 Cultural Construction

The city is the carrier of culture, and culture is the foundation of the development of the city. In order to better realize the integration of culture and life, the Group has laid out the urban cultural tourism industry from a high starting point. By the end of 2024, the Group's operational management projects have covered core cities and high-quality destinations across China. The Group continues to work to create a comfortable, safe and convenient living environment as well as prosperous cities, promoting the interaction and integration of culture, economy and society.

As one of the leading cultural tourism enterprises in China, the Group continues to provide high-quality joyful services to Chinese families and enhance the urban entertainment experience. The Group has formulated a special service plan for Sunac Park, and consolidated the characteristic services by means of training, assessment and inspection etc.

Case: Launching the "Dreaming Back" Performance Series to Highlight Local characteristics and Showcase Chinese Culture

Theme Park companies, piloting at the Jinan Sunac Cultural Tourism City Project, grandly launched the non-legacy Chinese-style spectacle "*Dreaming Back to the West Mansion*" in 2024. The performance immersed audiences in the poetic essence and emotions of literary icons Li Qingzhao and Xin Qiji, weaving a narrative of the Song Dynasty's splendor and legends through female dancers carrying palace lanterns, warriors brandishing swords, fluttering battle flags, and dazzling fireworks. In addition, cutting-edge technologies, such as aerial wire stunts, water curtain projections, digitally-controlled fountain, and laser displays, were seamlessly integrated with live choreography. This fusion of traditional Chinese aesthetics and modern artistry highlighted the depth of history and the allure of intangible cultural heritage.

In early 2025, Guangzhou Sunac Cultural Tourism City unveiled its new masterpiece, "*Dreaming Back to Lingnan*", a grand Chinese-style spectacle. Backed by traditional Chinese culture, rooted in Lingnan culture and enriched by local historical events and folklore, the performance blended music, dance, martial arts, and innovative adaptations of traditional art forms like iron-flower firework displays, creating a feast of music and dance while pioneering a new vision of intangible cultural expression.



"Dreaming Back to the West Mansion"



"Dreaming Back to Lingnan"



5.3 Rewarding the Society

While actively ensuring delivery and continuously providing customers with high-quality living experiences and a better life, the Group always keeps in mind its corporate social responsibility. The Group insists on the inheritance of enterprise culture. Adhering to the public welfare concept of “focusing on the themes of times, practicing social responsibility and creating long-term value for the whole society”, the Group has established a public welfare foundation and a long-term public welfare charity mechanism to promote the innovative development of public welfare undertakings. As of the end of 2024, the Group had donated more than RMB3.1 billion in funds and materials in total for rural revitalization, education and intellectual support, protection of ancient buildings, and anti-epidemic and disaster relief, inclusive public welfare, etc.

5.3.1 Rural Revitalization

The Group insists on taking the industrial ecologicalization and ecological industrialization as the guiding ideology to promote rural revitalization, and has always been committed to promoting rural green development and sustained income increase. As of 2024, the Group has carried out poverty alleviation and rural revitalization work in 55 townships across 18 provinces (municipalities, autonomous regions), with a total investment of RMB310 million.

5.3.2 Education and Intellectual Support

The Group has always relied on its own ability to make contributions to the development of national education and regarded education and intellectual support as an important direction of corporate social responsibility. Through the “Saplings Charity Program (英苗培養計劃)”, the Group helps primary and secondary schools in areas with underdeveloped education and balances urban and rural education, at the same time, it has established an education development fund with universities to support the high-quality development of education. As of 2024, the Group has cumulatively disbursed over RMB42 million in charitable funds in the education sector.

Since 2015, the Group has been pairing up to help 112 schools in 20 provinces across the country, and donated 1 primary school in Daliangshan. In 2024, the Group supported out-of-school girls from underprivileged families to complete their education through targeted funding donations and other means, providing greater educational opportunities for children and adolescents in underdeveloped regions, as well as rewarded outstanding teachers, enhanced school IT infrastructure, and improved educational facilities. Additionally, leveraging its own cultural tourism resources and business advantages, the Group innovatively organized activities like “Ice & Snow into Campus” and “Science Popularization into Campus” to ignite youths’ passion for nature and science, contributing to cultural revitalization.

Case: “Ice & Snow into Campus” Public Welfare Initiative

In 2024, the Group vigorously implemented the “Ice & Snow into Campus” initiative. Across Chengdu, Chongqing, Guangzhou, Kunming, Wuxi, Wuhan, Xi’an, Hong Kong and other cities, a total of 107 “Ice & Snow into Campus” events were held, involving 89 schools and nearly 23,000 participants. We popularized knowledge about ice & snow among young people through school skiing teams selection, ice & snow knowledge publicity and lectures, physical fitness tests on campus, etc. to ignite their skiing interest, and assisted in establishing school skiing teams to support children’s ice & snow dreams in a long-term and sustainable manner. Meanwhile, this initiative has promoted a new pattern of ice & snow sports on campuses, contributing to the talent pool for China’s ice and snow industry development.



“Ice & Snow into Campus” Public Welfare Initiative

Case: “Science Popularization into Campus” Public Welfare Initiative

In 2024, Theme Park companies continued to organize “Science Popularization into Campus” initiative on campus, offering children vivid journeys on natural exploration and sparking their curiosity and desire to learn about marine knowledge. Through a series of meticulously designed marine biology courses, students not only uncovered the mysteries of marine ecosystems but also gained a deeper understanding of the importance of protecting the ocean environment. This initiative has broadened students’ horizons while fostering their love for nature and respect for life, thus promoting and popularizing their awareness of biodiversity and natural culture.



“Science Popularization into Campus” Public Welfare Initiative

5.3.3 Inclusive Public Welfare

The Group has always adhered to the concept of inclusive public welfare, established a volunteer alliance, and provided a professional and convenient platform for employees, property owners and caring people in the society to participate in public welfare activities and social volunteer services by integrating public welfare projects and resources and adopting innovative means of mobile Internet, so as to gather public forces and jointly promote the development of public welfare and charity.

In 2024, the Group launched public welfare activities across 13 cities of 12 provinces (municipalities), with more than 39,000 participants consisting of our employees, property owners and social philanthropists, combining the love force of all parties, allowing more and more people to do public welfare.

Case: Bonski “New Life on Snow” Public Welfare Initiative

In 2024, Bonski companies launched the “New Life on Snow” Public Welfare Initiative, advocating green sustainability in the skiing industry and fulfilling its corporate social responsibility. This initiative has been jointly implemented across eight cities, including Guangzhou, Chengdu, Chongqing, Kunming, Wuxi, Harbin, Wuhan, and Xi’an.

Collaborating with green partners such as Ant Forest, Weibo, Xiaohongshu Charity and other platforms, alongside skiing equipment brands including Outdoor Master Sports, Volkl and Nobaday, Bonski Companies initiated the “New Life on Snow” Snowboard Recycling Green Initiative. This initiative encouraged customers to participate in snowboard recycling. Participants will earn Ant Forest green energy rewards based on the carbon emission reduction achieved through snowboard rentals and recycling. Bonski companies will donate funds to the China Green Foundation proportionate to the cumulative energy value from carbon emission reduction generated in the initiative. Customers who rent or recycle snowboards at Bonski ski resorts will receive green energy incentives, which directly contribute to tree planting in ecologically vulnerable areas and biodiversity conservation, thereby embedding the concept of “Green, Low-Carbon, Eco-Friendly” into public consciousness.



“New Life on Snow” Public Welfare Initiative

Key Performance Table

Environmental Performance Table for 2024

Indications	Unit	Real Estate and Culture	Cultural Tourism	Service
Total greenhouse gas (GHG) ¹ emission	Tons	9,752.53	256,406.84	421,556.46
Scope 1	Tons	960.67	29,376.69	2,058.28
Scope 2	Tons	8,791.86	227,030.16	419,498.18
GHG emission intensity	Tons/total number of employees	2.17	53.24	/
	Tons/sq.m. ⁵	/	/	0.001
Total non-hazardous waste ²	Tons	632.80	4,272.36	774.75
Non-hazardous waste intensity	Kg/total number of employees	140.72	887.12	/
	Kg/sq.m.	/	/	0.003
Total hazardous waste ³	Tons	2.42	6.87	2.01
Hazardous waste intensity	Kg/total number of employees	0.54	1.43	/
	Kg/sq.m.	/	/	0.000
Total water consumption	Tons	1,126,936.05	8,278,916.95	21,506,591.44
Water consumption intensity	Tons/total number of employees	250.60	1,719.04	/
	Tons/sq.m.	/	/	0.07
Total comprehensive energy consumption ⁴	MWh	20,368.34	609,387.33	791,337.75
Direct energy consumption	MWh	3,983.96	144,641.92	9,567.00
Indirect energy consumption	MWh	16,384.38	464,745.40	781,770.74
Gasoline	MWh	3,219.79	703.74	1,465.88
Diesel	MWh	2.57	1,882.30	750.20
Natural gas	MWh	737.29	142,055.88	7,115.67
Liquefied petroleum gas	MWh	24.31	/	235.26
Purchased electricity	MWh	16,384.38	423,090.12	781,770.74
Purchased hot water	MWh	/	67.03	/
Purchased heat	MWh	/	41,588.25	/
Comprehensive energy consumption intensity	MWh/total number of employees	4.53	126.53	/
	MWh/sq.m.	/	/	0.003

¹ The Group's GHG inventory mainly includes carbon dioxide, methane and nitrous oxide. GHG emissions data is presented in carbon dioxide equivalent and is calculated in accordance with the "2006 IPCC Guidelines for National Greenhouse Gas Inventories (Revised in 2019)" (《IPCC 2006國家溫室氣體清單指南2019修訂版》), the "Announcement on the Release of 2022 Power Sector Carbon Dioxide Emission Factors (《關於發佈2022年電力二氧化碳排放因子的公告》)" and the "Accounting Methods and Reporting Guidelines for the GHG Emissions of Other Industrial Enterprises (《其他工業企業溫室氣體排放核算方法與報告指南》)".

² The main types of non-hazardous wastes generated by the Group are office waste, kitchen waste, office paper, etc.

³ The main types of hazardous wastes generated by the Group are electronic waste, used batteries, used toner cartridges, used ink cartridges, etc.

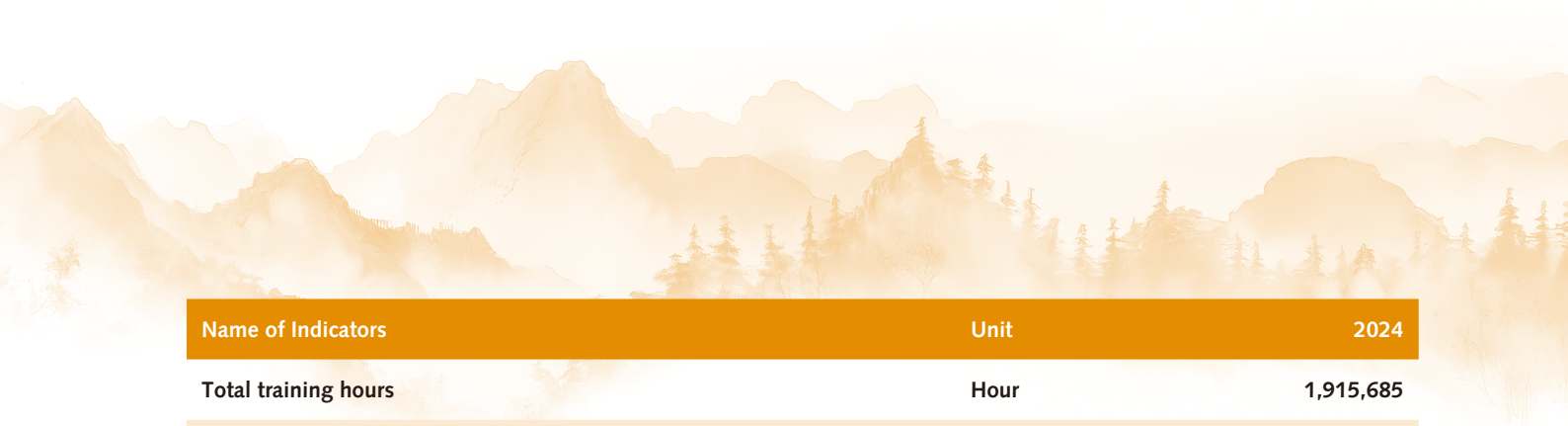
⁴ Total comprehensive energy consumption is derived from the translation of direct and indirect energy consumption based on the "General Principles for Calculation of the Comprehensive Energy Consumption (《綜合能耗計算通則》)" (GB/T2589-2020).

⁵ The GFA under management of the Service Group as at 31 December 2024.

Social Performance Table for 2024

Name of Indicators	Unit	2024
Total number of employees	Person	36,364
Gender		
Male	Person	21,583
Female	Person	14,781
Age group		
30 and below	Person	11,702
31 to 50	Person	21,931
Above 50	Person	2,731
Work regions		
Mainland China	Person	36,336
Overseas regions		28
Business system		
Real Estate	Person	4,365
Service	Person	27,051
Cultural Tourism	Person	4,816
Culture	Person	132
Rank		
Upper-level managers	Person	1,059
Mid-level managers	Person	15,747
Primary-level employees	Person	19,558
Total number of employee turnover	Person	14,648
Gender		
Male	Person	8,780
Female	Person	5,868

Name of Indicators	Unit	2024
Age group		
30 and below	Person	8,164
30 to 50	Person	6,046
Above 50	Person	438
Work regions		
Mainland China	Person	14,648
Employee turnover rates	%	28.71
Gender		
Male	%	28.92
Female	%	28.42
Age group		
30 and below	%	41.10
30 to 50	%	21.61
Above 50	%	13.82
Work regions		
Mainland China	%	28.73
Percentage of employees trained	%	100
Gender		
Male	%	100
Female	%	100
Rank		
Upper-level managers	%	100
Mid-level managers	%	100
Primary-level employees	%	100



Name of Indicators	Unit	2024
Total training hours	Hour	1,915,685
Average hours of employee training	Hour	52.68
Gender		
Male	Hour	57.22
Female	Hour	46.05
Rank		
Upper-level managers	Hour	42.37
Mid-level managers	Hour	63.01
Primary-level employees	Hour	44.93
Total number of suppliers		21,161
Mainland China		21,123
Hong Kong, Macao and Taiwan, of the PRC		17
Overseas regions		21
Social welfare donations		
Number of participants	Person	39,313
Total time invested	Hour	550

Commitment to Sustainability

United Nations Sustainable Development Goals		Section of this report
 <p>1 NO POVERTY</p> <p>End poverty in all its forms everywhere</p> <p>SDG 1</p>		Rewarding the Society
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p>SDG 4</p>		
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p> <p>SDG 10</p>		
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p> <p>SDG 3</p>		Employee Care Safety and Health
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p> <p>SDG 5</p>		Talent Protection Employee Care
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>SDG 8</p>		Talent Protection Talent Cultivation Employee Care
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>SDG 9</p>		Green Concept Green Design Green Construction Quality Innovation
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>SDG 11</p>		

United Nations Sustainable Development Goals

Section of this report



SDG 7

Ensure access to affordable, reliable, sustainable and modern energy for all

Green Concept
Green Design
Green Construction
Green Operation
Climate Change



SDG 12

Ensure sustainable consumption and production patterns



SDG 13

Take urgent action to combat climate change and its impacts



SDG 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



SDG 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Compliant Operation



SDG 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Responsible Supply
Rewarding the Society

ESG Index

Subject Areas	Aspects	KPIs	Responses
Environmental	A1 Emissions	General Disclosure	2.4 Green Operation
		A1.1 The types of emissions and respective emissions data	Key Performance Table
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Key Performance Table
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Key Performance Table
		A1.5 Description of emissions target(s) set and steps taken to achieve them	2.4 Green Operation
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	2.4 Green Operation
	A2 Use of Resources	General Disclosure	2.4 Green Operation
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Key Performance Table
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Key Performance Table
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them	2.4 Green Operation
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	2.4.3 Water Resource Management
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Since there are very few packaging materials generated in the Group's operation, the key performance indicator A2.5 is therefore not disclosed
	A3 The Environment and Natural Resources	General Disclosure	2.1 Green Concept
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	2.2 Green Design
			2.3 Green Construction
			2.4 Green Operation



Subject Areas	Aspects	KPIs	Responses
Social	B1 Employment	General Disclosure	4.1 Talent Protection 4.2.2 Promotion Channels
		B1.1 Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region	4.1.1 Equal Employment Key Performance Table
		B1.2 Employee turnover rate by gender, age group and geographical region	Key Performance Table
	B2 Health and Safety	General Disclosure	3.2.1 Safety Management System
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	3.2.1 Safety Management System
		B2.2 Lost days due to work injury	3.2.1 Safety Management System
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	3.2 Safety and Health
	B3 Development and Training	General Disclosure	4.2 Talent Cultivation
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Key Performance Table
		B3.2 The average training hours completed per employee by gender and employee category	Key Performance Table
	B4 Labour Standards	General Disclosure	4.1.1 Equal Employment
		B4.1 Description of measures to review employment practices to avoid child and forced labour	4.1.1 Equal Employment
		B4.2 Description of steps taken to eliminate such practices when discovered	4.1.1 Equal Employment
	B5 Supply Chain Management	General Disclosure	3.4.1 Supplier Management
		B5.1 Number of suppliers by geographical region	Key Performance Table
		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	3.4.1 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	3.4.1 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	3.4.2 Green Procurement

Subject Areas	Aspects	KPIs	Responses
Climate – related Disclosures	B6 Product Responsibility	General Disclosure	3.1.1 Quality Management 3.3 Customer-Centric Concept
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	3.1.1 Quality Management
		B6.2 Number of products and service related complaints received and how they are dealt with	3.3.3 Customer Complaint Management
		B6.3 Description of practices relating to observing and protecting intellectual property rights	1.6.3 Intellectual Property Protection
		B6.4 Description of quality assurance process and recall procedures	3.1.1 Quality Management
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored	3.3.2 Customer Privacy Protection
	B7 Anti-corruption	General Disclosure	1.6.2 Integrity Operation
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	1.6.2 Integrity Operation
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	1.6.2 Integrity Operation
		B7.3 Description of anti-corruption training provided to directors and staff	1.6.2 Integrity Operation
	B8 Community Investment	General Disclosure	5.3 Rewarding the Society
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	5.3 Rewarding the Society
		B8.2 Resources contributed (e.g. money or time) to the focus area	5.3 Rewarding the Society Key Performance Table
	Governance Strategy	Governance	2.5 Climate Change
		Climate-related risks and opportunities	2.5 Climate Change
		Business model and value chain	2.5 Climate Change
		Strategy and decision-making	2.5 Climate Change
		Risk management	2.5 Climate Change
		GHG emissions	Key Performance Table
		Climate-related transition risks	2.5 Climate Change
Climate – related Disclosures	Risk Management Metrics and Targets	Climate-related physical risks	2.5 Climate Change
		Climate-related targets	2.4 Green Operation

Readers Feedback Form

Dear readers,

Thank you for reading this report. The Group sincerely looks forward to your valuable comments on this report, so as to help the Group further improve its work.

Multiple choice questions (please tick the appropriate box)

1. What is your identity?

- ☐ Government ☐ Investor ☐ Employee ☐ Customer ☐ Supplier/
Contractor ☐ Business
partner
- ☐ Peer ☐ Community
and public ☐ Media ☐ NGO ☐ Others
(please specify)

2. What do you think of the ESG performance of the Group?

- ☐ Excellent ☐ Good ☐ General ☐ Poor

3. How would you rate this report?

- ☐ Excellent ☐ Good ☐ General ☐ Poor

4. How would you rate the ESG information disclosed in this report?

- ☐ Excellent ☐ Good ☐ General ☐ Poor

5. How would you rate the structure of this report?

- ☐ Very
reasonable ☐ Reasonable ☐ General ☐ Less reasonable

6. How would you rate the layout and design of this report?

- ☐ Excellent ☐ Good ☐ General ☐ Poor

7. Please feel free to share any expectations you may have in terms of the ESG of the Group.

The ESG Report is committed to responding to issues which key stakeholders consider important. For any doubt or advice on the ESG Report, you are welcome to contact the Group anytime through the following means:

Address: Building 1, East Side in Sunac Center, 278 Hongqi Road, Nankai District, Tianjin, the PRC

Email: esg@sunac.com.cn



SUNac 融創中國