

SUNAC 融創中國

融創中國控股有限公司
SUNAC CHINA HOLDINGS LIMITED

STOCK CODE: 01918.HK

2023

Environmental, Social and
Governance Report



CONTENTS

About This Report	3	1	Legal Compliance: The Foundation of Business Operations	7
About the Group	4		1.1 Corporate Governance	8
ESG Performance Highlights for 2023	6		1.2 ESG Management	9
			1.3 The Board's Statement	11
			1.4 Communication with Stakeholders	12
			1.5 Identification of Material Issues	14
			1.6 Compliant Operation	16
		2	Green Development to Achieve Harmonious Coexistence	21
			2.1 Green Concept	22
			2.2 Green Design	23
			2.3 Green Construction	27
			2.4 Green Operation	29
			2.5 Climate Change	33



3	Perfect Quality and Making Progress Together	37	5	Mission Undertakings and Building Together for a Better Future	61
	3.1 Quality Innovation	38		5.1 Urban Development	62
	3.2 Safety and Health	40		5.2 Cultural Construction	63
	3.3 Customer-Centric Concept	44		5.3 Rewarding the Society	65
	3.4 Responsible Supply	50			
4	Being People-Oriented and Achieving Win-Win	53		Key Performance Table	69
	4.1 Talent Protection	54		Commitment to Sustainability	73
	4.2 Talent Cultivation	57		ESG Index	75
	4.3 Employee Care	60		Readers Feedback Form	78

About This Report

Sunac China Holdings Limited has prepared and published the 2023 Environmental, Social, and Governance (ESG) report to disclose the Group's management and performance in the environmental, social, and governance aspects during 2023.

i. Basis of Preparation

This report is prepared in accordance with the *Environmental, Social, and Governance Reporting Guide* (the "ESG Guide") set out in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), 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 under the ESG Guide. 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 Guide. 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 2023, from 1 January 2023, to 31 December 2023, 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 *2023 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/>) 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

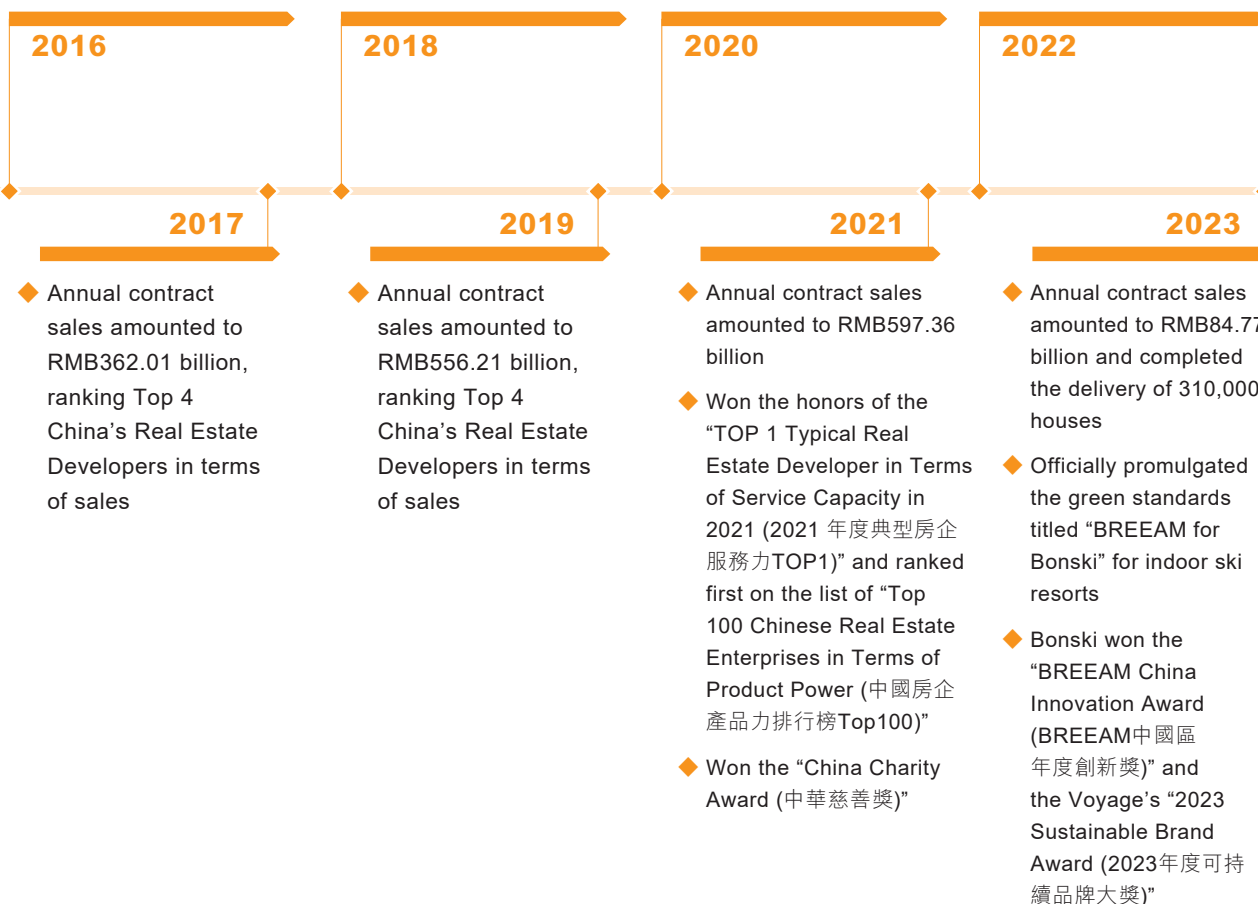
The Company is a company incorporated in the Cayman Islands with limited liability, whose shares have been listed on the main board of the Stock Exchange since 2010. With the brand philosophy of “passion for perfection”, the Group is committed to providing wonderful living environment and services for 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. After more than 20 years of development, the Group has become a leading enterprise in China’s real estate industry, a leading ice & snow industry operator and a leading cultural tourism industry operator and property owner in China, with nationwide leading capabilities in comprehensive urban development and integrated industrial operation.

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 the Yangtze River Delta, Bohai Rim, South China, Central regions and Western regions, and is divided into 9 major regions for management, namely the Beijing region (including Beijing, Ji’nan and Qingdao, etc.), North China region (including Tianjin and Shenyang, 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 Hainan Province, etc.), Northwestern China region (including Xi’an and Taiyuan, etc.), Chengdu-Chongqing region (including Chongqing and Chengdu, etc.) and Yun Gui region (including Kunming and Guiyang, etc.).

Development History

- ◆ Founded in Tianjin in July, and began to develop high-end property projects
- ◆ Acquired and started to develop the first “One Central Series” product of Sunac – Beijing Xishan One Central (北京西山壹號院)
- ◆ Completed strategic layout with five core cities, i.e. Beijing, Tianjin, Shanghai, Chongqing and Hangzhou
- ◆ Obtained the first project in Beijing, “Chinese Beauty – Xifuhui (中國式美好—禧福匯)”
- ◆ Successfully listed on the Stock Exchange on 7 October, stock code: 01918
- ◆ Proposed “quality underscores high value (質量點亮價值)” with adherence to our high-end and elegant strategy
- ◆ Annual contract sales amounted to RMB65.85 billion, ranking Top 10 China’s Real Estate Developers in terms of sales for the first time
- ◆ Released the high-end lifestyle value system “Living a Perfect Lifestyle (臻生活)”
- ◆ Annual contract sales amounted to RMB68.21 billion, ranking Top 9 China’s Real Estate Developers in terms of sales

- ◆ Real estate development business was mainly located in the Yangtze River Delta, Bohai Rim, South China, and core cities in Central regions and Western regions
- ◆ Annual contract sales amounted to RMB150.63 billion, ranking Top 7 China's Real Estate Developers in terms of sales
- ◆ Won the honors of "Best Employer in China's Real Estate Industry (中國房地產最佳僱主企業)" for two consecutive years
- ◆ 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
- ◆ Released the "Sunac Chinese-style Product Strategic Value Blueprint (《融創中式產品戰略價值藍本》)"
- ◆ Annual contract sales amounted to RMB575.26 billion, ranking Top 4 China's Real Estate Developers in terms of sales
- ◆ Annual contract sales amounted to RMB169.33 billion and completed the delivery of 180,000 houses
- ◆ Selected as "Top 10 Chinese Real Estate Enterprises Product Power in 2022 (2022年中國房地產企業產品力TOP10)" 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 2023



Green Building

- New buildings of the Group are **100%** compliant with the green building requirements
- The Group worked with the British Building Research Establishment (“BRE”) to customize the world’s first green building evaluation standards for indoor ski resorts (*BREEAM for Bonski* (《BREEAM—熱雪奇蹟》), which was officially released on 26 September 2023

- The Group completed the delivery of approximately **310,000** houses across **279** projects in **101** cities
- The Theme Parks and Bonski received a total of **576** customer complaints, with a complaint closure rate of **100%**, and a customer satisfaction rate of **99.3%**



Customer Service



Employee Training

- The Group reported **100%** staff training coverage and a total of over **2.44 million** training hours
- The Group organized online and offline integrity training sessions for all its staff and Directors, with a total of about **104,000** training hours

- The Group launched public welfare activities in **20** cities across **15** provinces (municipalities), involving nearly **40,000** participants from the public, employees, and property owners
- The Group held **60** “Ice & Snow into Campus” events in multiple locations, involving **44** participating schools



Social Contribution

A watercolor-style landscape painting. The foreground is a vibrant green field with some darker green patches. In the middle ground, there are several dark green evergreen trees on the left and a range of rolling green hills. The background features a large, jagged mountain peak with a white snow cap, set against a light blue and white sky with soft, wispy clouds. The overall style is soft and artistic.

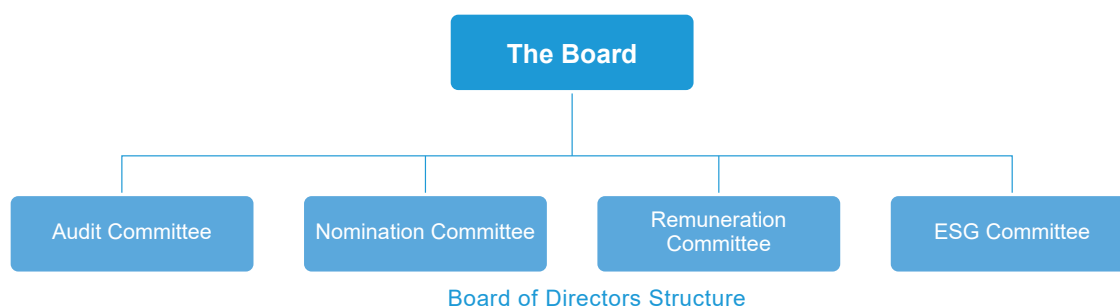
Legal Compliance: The Foundation of Business Operations

1 Legal Compliance: The Foundation of Business Operations

The Group believes that robust corporate governance is the cornerstone of sustainable development. Therefore, based on the existing governance framework, the Group has been constantly improving its corporate governance system, while optimizing its governance structure, enhancing communication with its stakeholders, and conducting strict internal audits and internal control, aiming to facilitate the construction of its ESG system and improve its sustainable competitiveness.

1.1 Corporate Governance

The board (“Board”) of directors (“Directors”) of the Company oversees 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 2023 annual report for the meetings of the Board and various committees in 2023 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* in the hope of achieving an appropriate balance in terms of diversity of age, professional skills, industry experience and perspectives among the Directors, thereby enhancing the effective operation of the Board and maintaining a high standard of corporate governance. The Group intends to appoint a female Director in 2024, so as to achieve the goal of a gender-diversified board of directors. 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 sound 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. In addition, on the basis of the existing eight ESG policies (the *Sunac Environmental Policy*, 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.



ESG Management System

	Members	Responsibilities
Board of Directors	<p>Executive Directors:</p> <p>Sun Hongbin (Chairman), Wang Mengde (CEO), Jing Hong, 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, and supervise and review the Group's ESG performance ➤ To review and determine the Group's ESG strategies, ESG management structure and strategy ➤ 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 consider and approve the Group's ESG report
ESG Committee	<p>Chairman: Wang Mengde</p> <p>Members: Poon Chiu Kwok, Zhu Jia, Ma Lishan and Yuan Zhigang</p>	<ul style="list-style-type: none"> ➤ To formulate ESG management objectives, policies and ways of implementation, and 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 significant 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 make 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 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 systems, and report to the ESG Committee

In 2023, 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 work 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. It also clarifies the composition of various levels of organizations and ESG work responsibilities. Specifically, the Board leads and is responsible for overseeing the overall ESG governance of the Group, reviewing the ESG management policies and strategies, and monitoring the progress of ESG-related objectives. The ESG Committee reviews ESG special plans, and the ESG Work Group implements ESG tasks to continuously promote sustainability. In 2023, 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, carried out ongoing ESG initiatives, and improved ESG performance.

In 2023, the Group organized and carried out the identification and judgment of material issues, and gave suggestions on the final judgment results of material issues. In 2023, regarding the core work of the Group in terms of safe operation, product and service quality, green building, compliant operation, anti-corruption and integrity, etc., the Board focused on reviewing and supervising its policies, objectives and measures to lead and facilitate relevant processes. In addition, the Board also shared the Group's ESG progress with different stakeholders.

This report provides a detailed disclosure of the management and progress of the Group's ESG work in 2023, which was approved by the Board in March 2024.

1.4 Communication with Stakeholders

The Group attaches great importance to communication with stakeholders, continues to improve the normalized and multi-channel communication mechanism, responds to the expectations of stakeholders in a timely and efficient manner, and accepts their supervision. We regularly discuss ESG issues with stakeholders, and attentively listen to 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 Work reports 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 Ad hoc 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	<ul style="list-style-type: none"> Legal employment Basic rights and interests Training and development Employee welfare guarantee Employee care Occupational health and safety 	<ul style="list-style-type: none"> Regular research and feedback Employee care activities Employee training Staff seminars Employee benefits distribution Employee satisfaction surveys
Suppliers and partners	<ul style="list-style-type: none"> Integrity operation Mutual benefit Supply chain management Exchange and cooperation Product quality and safety 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Carrying out public welfare projects Promoting local employment Driving community economy Community investment Volunteer activities 	<ul style="list-style-type: none"> 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 2023, 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 matrix of material issues in 2023.

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 Guide of the Stock Exchange, the GRI Standards and the UNSDGs, comprehensively sort out the Company’s ESG important issues and the concerns of various stakeholders, and benchmark against domestic and foreign peers’ ESG issues and ESG performance, and closely monitor ESG relevant media information to identify 21 key ESG issues;

Stakeholder questionnaires:

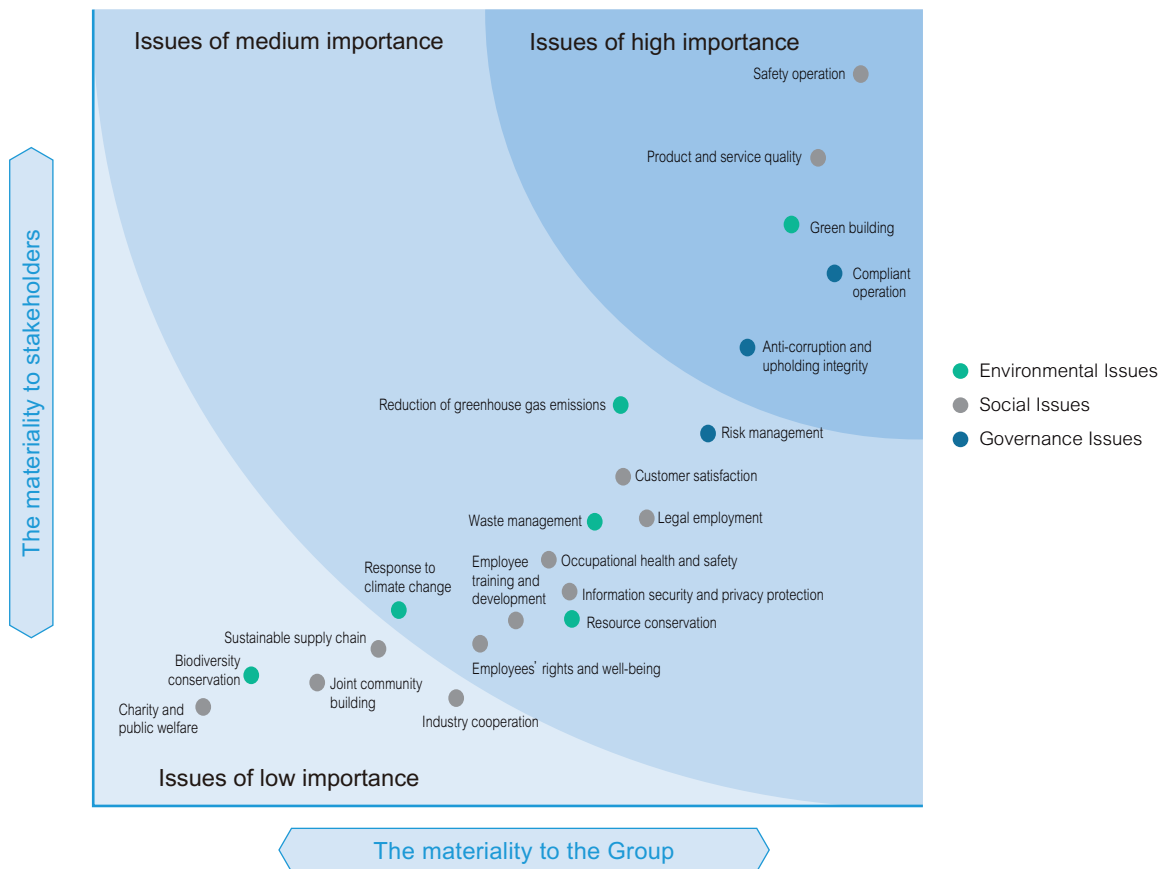
Collect replies from internal and external stakeholders through an online questionnaire survey;

Assessment of material issues:

Based on the results of questionnaires as well as the development of the Company, assess the material issues by two dimensions, i.e. the materiality to the Group and the materiality to stakeholders, and rank the ESG issues by materiality.

Materiality	Order	Issue
Issues of high importance	1	Safety operation
	2	Product and service quality
	3	Green building
	4	Compliant operation
	5	Anti-corruption and upholding integrity
Issues of medium importance	6	Risk management
	7	Reduction of greenhouse gas emissions
	8	Customer satisfaction
	9	Legal employment
	10	Waste management
	11	Occupational health and safety
	12	Information security and privacy protection

Materiality	Order	Issue
	13	Resource conservation
	14	Employee training and development
	15	Employees' rights and well-being
	16	Response to climate change
Issues of low importance	17	Industry cooperation
	18	Sustainable supply chain
	19	Joint community building
	20	Biodiversity conservation
	21	Charity and public welfare

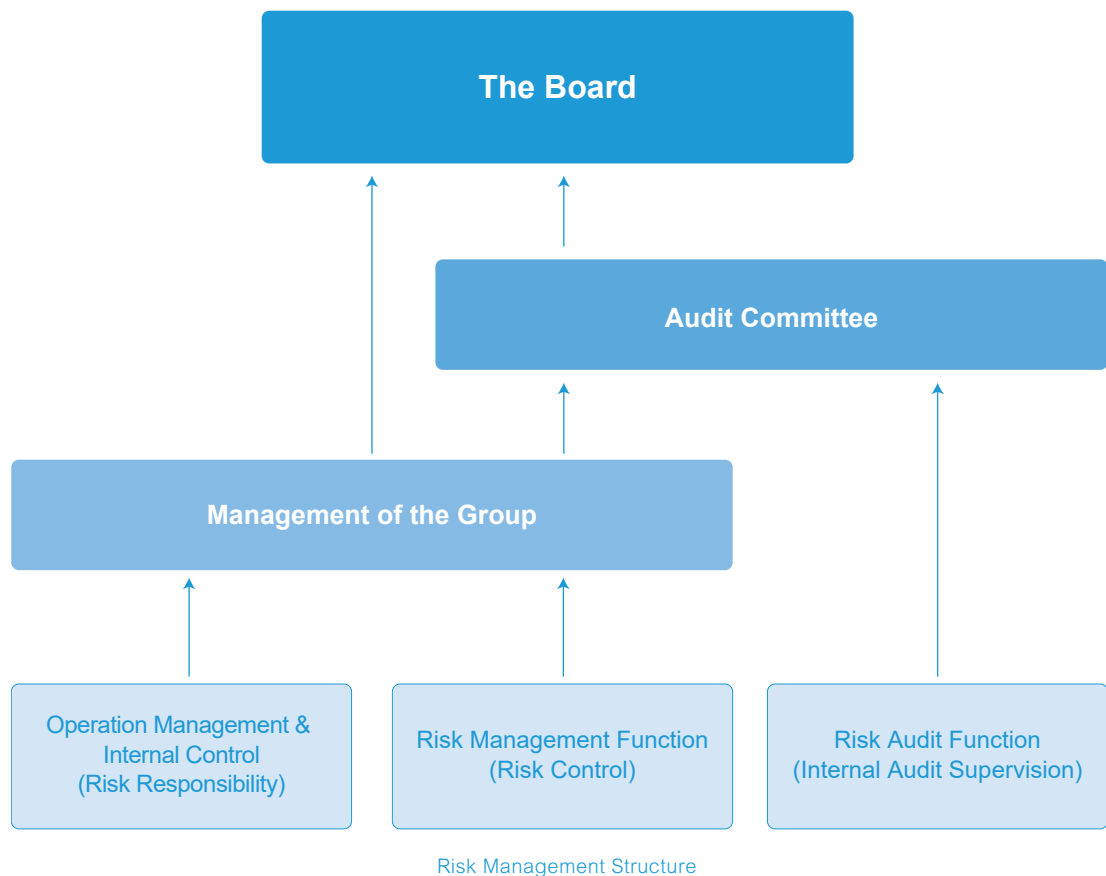


1.6 Compliant Operation

The Group insists on compliant operations while continuously strengthening its risk control capability with the establishment 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 an audit & internal control system with a clear definition of rights and responsibilities and complete functions. The Internal Audit and Supervision Department is authorized by the Board and the Audit Committee to perform all audit work throughout the year under the direct management of the Chief Executive Officer while putting forward suggestions on improving the effectiveness of the Group's risk management and internal control system, and regularly reporting to the Audit Committee and the Board.



The Group continues to improve the audit and risk control management system and measures. In accordance with the “Provisions on Internal Audit of Sunac Group (《融創集團內部審計規定》)” and the “Regulations on Internal Control Management of Sunac Group (《融創集團內控管理規定》)”, the Group conducts risk management monitoring and supervision, and through internal control evaluation inspections, routine audits, special audits, and whistleblowing investigations, identifies operational risks, continuously follows up on rectification work, and facilitates the optimization of management measures in business departments to establish a long-term risk management mechanism. The Group also regularly conducts audit system performance assessment, quality evaluation to ensure the overall work quality of the audit and supervision system.

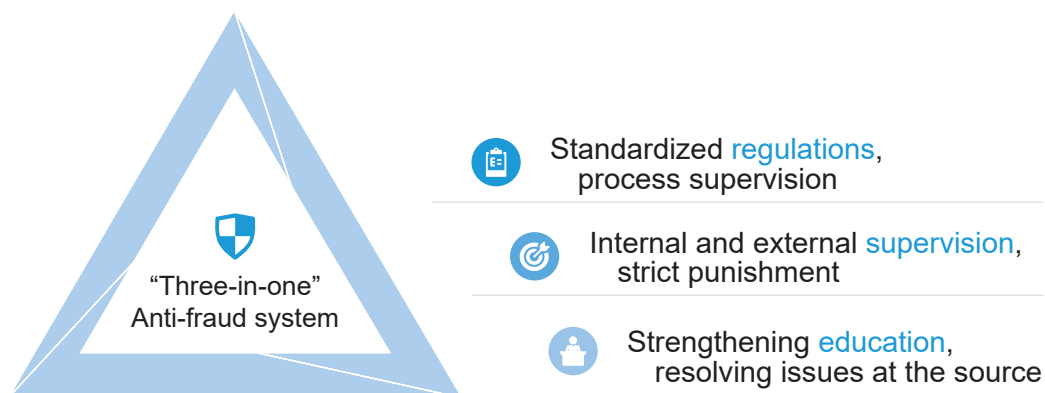
Relying on the results of information system construction and the empowerment of big data technology, the Group makes full use of internal and external data to analyze the operating activities with full-sample data in the whole process. Audit sampling is also implemented for the identified significant risks and systemic risks to achieve comprehensive risk control. Meanwhile, based on the identified risks, a risk database has been established to form the basis for risk analysis and continuously improve and strengthen the ability to identify and control risks.



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 policies, 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 continuously strengthens the management of employees’ business ethics, requiring all employees to sign integrity agreements. Additionally, new employees are required to complete integrity examinations within two weeks of completing their onboarding training, and those who do not pass will not be confirmed for employment.

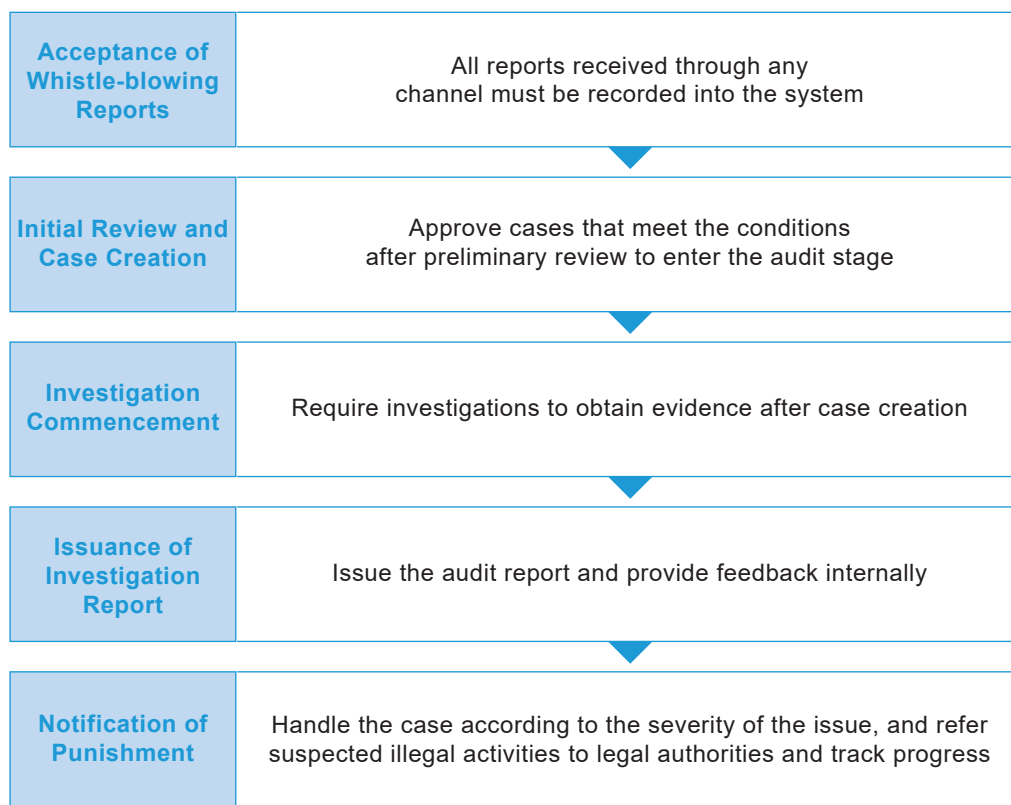
The Group actively fosters a clean and fair operating environment, and has formulated the *“Supplier Integrity Agreement (《供方廉潔協議》)*”, requiring all suppliers (including service providers, contractors, etc.) conducting business with the Group to sign the integrity agreement. The *Supplier Integrity Agreement* clearly stipulates that suppliers must adhere to the Group’s integrity and self-discipline requirements, and avoid violating business ethics for the purpose of obtaining commercial opportunities or improper benefits. In the event of any breach of the integrity agreement by a supplier, strict penalties will be enforced according to the agreement’s provisions.

The Group takes an active part in the anti-fraud construction and helps to create a clean business environment in the industry. As of now, it has joined the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance, and established a blacklist system for the anti-corruption alliance. The Group will resolutely reject the employees or suppliers with major violations and frauds, as well as those included in the blacklist of the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance.

By formulating 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》)”, the Group has clarified and standardized the division of rights and responsibilities, operation processes and approval authority for complaints and whistle-blowing, and improved the whistle-blowing handling process. The Group has set up multiple public whistle-blowing channels, such as the official website, telephone, email, official accounts, etc. These channels are prominently displayed on the Group’s website homepage and in its office premises. All employees, suppliers, customers, and other stakeholders are encouraged to report any violations of business ethics to the Group. The Group has assigned dedicated personnel to receive reported information and utilizes a whistle-blowing information system for the entire process management, including data entry, tracking progress, and investigation closure. The Group takes careful steps to protect the personal information, and reporting content of whistleblowers in accordance with the law, and clearly stipulates in the *Regulations on Management of Complaints and Whistle-blowing of Sunac Group* that, those who threaten, intimidate, or retaliate against whistleblowers will be subject to penalties in accordance with the “*Audit Penalty Rules of Sunac Group* (《融創集團審計處罰管理規定》)”.



The Group’s whistleblowing and monitoring procedures








Case closed

The Group continues to promote the building of supervisory functions and conducts regular business ethics audits on all operations. In 2023, the Group conducted 299 internal control inspections in the areas of business ethics and anti-corruption. No cases of corruption were filed and concluded during the year.

The Group actively promotes a culture of integrity, and nurtures the integrity awareness of employees and suppliers. Integrity awareness campaigns covering all employees (including regular employees and non-regular employees) and suppliers are launched throughout the Group, including conducting integrity compliance learning and examinations, distributing integrity advocacy posters during important holidays, and setting up cultural walls, among other special activities. In 2023, the Group conducted multi-level online and offline training, including regular integrity education and training for all employees and Directors, as well as special compliance training for different business lines. The total training duration exceeded 104,000 hours.

1.6.3 Protection of intellectual property rights

The Group attaches great importance to the protection of 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 2023, the Group was not involved in any punishment relating to intellectual property rights by the government.

	Applying for trademarks and other intellectual property rights	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 regular basis, and apply for the opposition of those trademarks within the publication period and the invalidation or revocation of those 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 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 2023, the Group has obtained a total of 36 patents.

Green Development to Achieve Harmonious Coexistence



2 Green Development to Achieve Harmonious Coexistence

Through continuously implementing the philosophy of sustainable development, the Group comprehensively balanced the impact of green design, green construction, green operation, etc. on the environment while striving to construct high-quality communities in cities that are more livable, healthier and warmer, aiming to mitigate the impact of our business development on the environment with the greatest sincerity, contributing to China’s achievement of the carbon peaking and carbon neutrality goals.

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. We integrate the concept of eco-friendly development into the full life cycle of the Group’s product construction and project 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*” and the “*Green Building Policy of Sunac*” 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	The Group’s new projects 100% comply with the green building requirements, aiming to promote the implementation of High-star, Ultra-low energy consumption 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	Focus on green planning to facilitate green development, and maximize land resources and ecological value
	Green standard	Formulate green standards, promote green innovation, and promote the application of green technologies
Green construction	Green construction system	Promote and participate in the green construction system
	Green construction	Strengthen green construction management and reduce resource consumption and environmental pollution
	Green procurement	Promote green procurement, urge 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, 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, improve 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

In the design of projects, 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 actively practicing the concept of green design, with a focus on green habitat, green business and green landscape, and striving to achieve a multi-win outcome in terms of ecological value, economic benefits and habitat experience with a better design concept. The Group has formulated a series of management systems i.e. 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》)”, aiming to continuously enhance project design capability.

The Group attaches great importance to green planning, with an active commitment to green development, aiming to maximize land resources and ecological value. We endeavored to fully understand the background of the land for our projects and fulfill our commitment to green land development to avoid developing green land and farmland as far as possible. We strictly followed the requirements of relevant authorities on the development of farmland and green land, while strictly keeping ourselves from touching the red line of natural reserves, farmland and arable land, cultural protection areas, etc., so as to reduce the impact on green land and surrounding ecosystem.

In the stage of project planning and survey, the Group inspected the ecological environment around the project site and assessed the environmental impact of the project, while carefully protecting the local native species, actively participating in ecological protection and governance work, so as to reduce the impact of our projects on the ecological environment.

2.2.1 Green Building

 Commitment to Green Building:	
100% of new buildings complied with the requirements for green building, promoting the implementation of High-star and Ultra-low energy consumption green products:	
The Real Estate business segment	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 them 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 2023, the Group’s all new projects¹ met China’s green building standards. The Group also 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. As of the end of 2023, the Cultural Tourism City projects in operation have all received green building certification², with those under construction all receiving green building certification as well, making the Group the only enterprise in China with 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 2023, the Group had a total of 55 projects¹ receiving two-star or three-star green building certifications, with a total gross floor area of approximately 10.35 million square meters.

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: Shanghai Bund One Central (上海外滩壹号院)

Located in the historic district of the Shanghai Bund, the Shanghai Bund One Central project stands as one of the most emblematic works of the Group, embodying our commitment to “customization without replication” and showcasing our green concepts of environmental friendliness, green development, and tailored measures to local conditions. At the beginning of project design, it has been designed with practicality and energy efficiency in mind, enhancing both building quality and user experience while emphasizing environmental protection. Throughout the construction process, green technologies and materials were meticulously selected to meet the stringent requirements of green and energy-efficient buildings. The project fully complies with high standards such as three-star green building, prefabricated construction, and ultra-low energy consumption buildings.

Energy-saving design concepts: Advanced energy-saving design concepts were implemented in the planning and design stages to optimize building layouts, enhance thermal insulation performance, and incorporate energy-efficient equipment, resulting in significant reductions in energy consumption;

High-efficiency energy-saving building system: The adoption of a high-efficiency energy-saving building system includes the use of high-performance thermal insulation materials for exterior walls to effectively enhance thermal insulation performance, as well as the installation of air-tight window and door systems to minimize indoor-outdoor air exchange and further reduce energy consumption;

Intelligent control system: The integration of an intelligent control system allows for the smart management and control of energy usage within the building. Based on real-time monitoring of energy consumption and actual demand, equipment operation can be adjusted to maximize energy efficiency. Additionally, intelligent control of lighting, air conditioning, and other systems enhances the residential comfort of the building;

Green ecological environment: To create a green ecological living environment, significant emphasis was placed on landscaping and ecological construction. During the planning phase, careful consideration was given to green coverage, with extensive planting of greenery to improve microclimates and purify the air. Furthermore, the installation of rainwater harvesting systems enables the collection and reuse of rainwater for irrigation purposes, contributing to the sustainable utilization of water resources.



Shanghai Bund One Central

2.2.2 Green Technology Standards

The Group actively participates in the formulation and compilation of international, national, industrial and association standards for environment protection to promote green innovation in society and enterprises. As of December 2023, the Group has completed the development of a green building standard for indoor ski resorts and has participated in the formulation of a number of association standards and developed approximately 26 corporate standards, covering building quality, quality improvement, energy saving, 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 2024.

The Group worked with the British Building Research Establishment to customize the world’s first green building evaluation standards for indoor ski resorts (*BREEAM for Bonski* (《BREEAM—热雪奇蹟》)), which was officially launched on 26 September 2023, in Beijing. This standard systematically covers 9 major categories, 59 subcategories, and over 900 individual criteria, ensuring the safety and health of facility end-users through detailed considerations such as streamline design, air quality, and comfort level. Based on customer flow and demand, safety measures, thermal insulation, and transportation facilities within the venue are enhanced to improve visitor safety and enhance their experience. This initiative further advances the operational concept of indoor ski resorts and contributes to the development of green ice & snow sports.



The Official Promulgation of the Green Building Standard “*BREEAM for Bonski*” for Indoor Ski Resorts

Case: Green Ice and Snow Alliance Initiative

Green and low-carbon initiatives are pivotal for enterprises aiming at high-quality development. In the post-Winter Olympics era, the green development of the ice and snow industry has emerged as a crucial component of sustainable development strategies. On 26 September 2023, the Global Indoor Ice and Snow Green Building Standards Seminar & the Launch Ceremony of the Green Ice and Snow Alliance Initiative, jointly organized by Bonski and the British Building Research Establishment (BRE), took place in Beijing. Bonski, BRE, the Chinese Academy of Building Research, and partners throughout the ice and snow industry chain collectively proposed the establishment of the Green Ice and Snow Alliance. Leveraging BRE's century-long expertise in green and sustainable building practices and integrating the practical experiences of Bonski's indoor ski resort projects in China, the Alliance aims to replicate and promote innovative green ice and snow practices on a broader scale. This initiative aims to support the green development of China's ice and snow industry and achieve sustainable, high-quality development collectively.



Launch Ceremony of the Green Ice and Snow Alliance

2.3 Green Construction

The Group attaches great importance to the impact of project construction on the surrounding environment and natural resources, and has been striving to integrate the concept of green construction throughout the production process chain. In 2023, the Group continued to promote its Glorious Construction (臻营造) construction system while vigorously promoting the development of industrial construction technologies, and conducted prefabricated structures and refined decoration in response to the national policy direction of industrialized construction, so as to reduce energy consumption in the construction process. In 2023, the Group's prefabricated construction projects accounted for 42% of its total number of projects.

In 2023, 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 of projects 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: Sunac Yellow Wine Town (融創黃酒小鎮)

The Yellow Wine Town project is located in the Yuecheng District of Shaoxing City, with plans encompassing residential areas, supporting facilities, and an underground parking garage, of which the residential units are constructed using prefabricated building techniques, incorporating precast composite floor slabs, precast perimeter walls, prefabricated bay windows, prefabricated stairs, and ALC slabs. In accordance with the requirements outlined in Zhejiang Province's "Standard for Assessment of Prefabricated Building (《裝配式建築評價標準》)" (DB33/T1165-2019) and related regulations, the assembly rate for residential units in this project is no less than 50%, while for public buildings, it is no less than 60%.



Sunac Yellow Wine Town

Case: Zhengding Bonski (正定熱雪奇跡)

In 2023, the Group formally entered into a strategic cooperation agreement with the government of Zhengding County and Shenzhen International Holdings Limited to develop the Zhengding Smart Port project. Following the EPC+O (Engineering, Procurement, Construction, and Operation) modern integrated approach, the project aims to create an indoor ski resort in Zhengding. The construction site implements stringent control measures, including 100% enclosure of the perimeter, full coverage of material storage, thorough washing of incoming and outgoing vehicles, complete pavement hardening, 100% adoption of wet excavation methods, and sealed transportation of construction waste. Additionally, dynamic dust monitoring equipment is installed to continuously monitor air quality during construction.



Construction Site Enclosure



Vehicle Wash Bay



Dust Monitoring and Dust Suppression Equipment





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 the operational requirements are no less stringent than those stipulated by 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 implements annual energy consumption plans and management requirements, which are then delegated to various specialized companies and dedicated personnel are responsible for tracking energy usage and promptly addressing any deviations.

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 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 covering water and energy saving, promotion of energy saving, green consumption, decoration and renovation and other aspects into their daily operation processes. 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 greener commercial buildings, the Group collects 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 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;



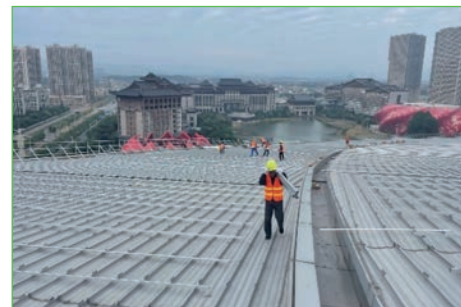
Theme parks place a high emphasis on energy consumption, particularly targeting high-energy-consuming equipment for in-depth energy-saving measures. Examples include the life support systems at sea parks, theme park and water park amusement equipment, and various air conditioning systems. Through a matrix-style 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 photovoltaic systems, with photovoltaic power generation already operational in projects such as Harbin, Wuxi, and Hangzhou Bay, and projects in Qingdao, Ji'nan, Guangzhou, Hefei, and Kunming expected to be operational by 2024;



Bonski is dedicated to enhancing the overall operational efficiency of equipment during the operational phase. This involves conducting a meticulous examination of each machine, subsystem, and pipeline within the refrigeration and snowmaking systems of every project to promptly identify and address any issues. The Group anticipates completing all updates by 2024. Following these updates, energy consumption is expected to decrease by approximately 5%. Additionally, Bonski is actively implementing rooftop photovoltaic facilities. In operational projects, rooftop photovoltaic installations were completed in 2023 in cities such as Harbin and Wuxi, with installations in Guangzhou, Kunming, Chongqing, and Xi'an expected to be completed in 2024. For projects under construction, the Ganlushan Cultural Tourism City project in Huangpi, Wuhan, is progressing with integrated building metal roofing and photovoltaics (BIPV) implementation.



Wuxi Bonski Rooftop Photovoltaic – Completed



Guangzhou Bonski Rooftop Photovoltaic – Under Implementation

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 2023, the Group did not encounter any issue in sourcing water that is fit for purpose.

The Cultural Tourism projects of the Group comply with the national green building standards from development planning to operation management, and develop and innovate in many aspects to maximize the conservation of water resources. The Group has also 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, and the direct discharge in the past is changed 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, forming the self-cleaning ability of the water body, which significantly reduces the energy consumption of the water treatment system for operating while 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 and implements 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; and delivers 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 advocates water and electricity conservation, and by posting warm reminders in the office area, 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; 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; conducts monthly statistics and checks on the consumption of water and electricity monthly by engineering personnel, and regularly analyzes and formulates improvement measures;



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, and recycles the printed papers; strengthens the management on procurement of 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

Following the framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group has actively identified and analyzed the physical risk and transformation risk related to climate change facing the Group. To improve the adaptability to climate change, the Group has proposed a series of targeted measures to adapt to or mitigate the impact of climate change on its business and society. In addition, the Group integrates climate change risks into our risk management system, and the ESG Workgroup regularly evaluates to ensure timely awareness of the latest developments in physical risk and transformation risk and their potential impacts, providing corresponding response strategies. These assessment results are regularly reported to the ESG Committee to drive greater progress in the Group's response to climate change.

Risk Type			Impact of Risks	Coping Measures
Physical risks	Acute risks	Typhoons, extreme precipitation and high temperature	As the frequency and intensity of extreme weather events such as typhoons, high temperatures, and heavy rainfall increase, it poses risks to the Company's operational assets and equipment, leading to increased energy consumption and abnormal power supply, affecting normal operations.	<ul style="list-style-type: none"> At the early stage of project design, the Group includes the local natural climate risks into risk assessment, understanding climate characteristics, fully assessing potential impacts and consequences, and formulating corresponding climate risk management plans. Additionally, the Group takes preventive measures to mitigate potential damage to operational assets and equipment, address increased energy consumption and abnormal power supply situations, thereby reducing the adverse impact of bad weather on residents and consumers during the subsequent project operation period; In the process of project construction, the Group purchases insurance for the relevant personnel and equips them with safety equipment. Additionally, the Group arranges construction schedules reasonably according to climatic conditions, aiming to avoid construction during extreme weather conditions. If heavy rainfall, typhoon, long-term drought and other weather occur during construction, the Group will reduce outdoor construction activities to reduce the impact on construction personnel; The Group shall deal with emergencies and daily operation management in strict compliance with the Group's emergency management regulations, and extend the emergency management measures to all office areas and construction units, integrating them into their daily operation management. In addition, the Group incorporates disaster prevention drills into its daily operation and maintenance system and implements them on a regular basis to ensure that employees can respond promptly to extreme weather events.
	Chronic risks	Average temperature rise	The average temperature rise will have an adverse impact on the Group's construction arrangements, including prolonging construction periods and increasing construction costs. It will also negatively impact the normal operation of properties and office areas, endangering the health of employees.	

Risk Type			Impact of Risks	Coping Measures
Transformation risks	Policy and legal risks	Energy conservation and carbon reduction compliance risks	<p>International and domestic regulatory agencies, capital market index rating agencies and others have continuously upgraded the requirements for disclosing enterprise environment related data. At the same time, the government has adopted more aggressive energy-conservation and carbon-reduction strategies and measures, clearly putting forward requirements such as "speeding up the improvement of building energy efficiency" and "speeding up the optimization of building energy structure". If the Group fails to timely comply with relevant laws and regulations during construction or operation, timely disclose the corresponding environmental information in accordance with relevant policies, meet local energy efficiency standards, or effectively control carbon emissions from business activities, the Group will face compliance risks from regulatory authorities as well as risks of restrictions and pressure from external stakeholders.</p>	<ul style="list-style-type: none"> • The Group continuously monitors relevant policies and regulations. In response to the government's energy efficiency and carbon reduction strategies and measures, the Group should establish and update response strategies, clarify objectives, measures, and timelines, such as improving building energy efficiency levels and optimizing building energy consumption structures; • The Group's ESG Workgroup comprehensively monitors and manages the Group's energy conservation and emission reduction measures and reports the implementation status to the ESG Committee and the Board on a regular basis; discloses to the public the energy conservation and emission reduction targets already set and their progress; and requires each business segment to formulate energy conservation and emission reduction implementation rules and measures for each company and project in a scientific way; • The Group will further improve its environmental information disclosure system to ensure compliance with relevant laws, regulations, and policies. The Group will also strengthen communication with regulatory authorities to promptly understand policy changes and ensure compliant operations; • The Group will strengthen cooperation and exchange with regulatory authorities, industry associations, research institutions, etc., to jointly address climate change challenges. The Company's ability to respond to climate change will be enhanced through sharing experiences, technical exchanges, and other means.

Risk Type			Impact of Risks	Coping Measures
	Technology risks	Costs in the transformation to lower emissions technology/failing to invest in new technologies	The society tends to choose more environment-friendly technologies. China actively promotes a series of advanced technologies such as green buildings, ultra-low energy buildings, low-carbon buildings, green building materials and sponge cities to be applied in the production and operation activities of relevant enterprises. The Group may be exposed to the risk of being phased out if it fails to adapt to the wave of technological advancement in society.	<ul style="list-style-type: none"> For new construction and expansion projects, the Group increases investment in green building research and development to enhance the buildings and their communities' resistance to long term climate change and climate disasters through increasing green buildings constantly; The Group promotes the innovation of sustainable building concepts and technologies such as sponge cities and passive houses, and strives to reduce the impact of project operations on the ecology and environment to slow down the process of climate change; The Group investigates the rationality of investment in new technology and its suitability with the Group's business. Before introducing new technology, the Group conducts comprehensive risk assessments and feasibility studies to understand the potential impact and risks of new technology. A new technology will gradually enter the stage of large-scale application only after program demonstration, technical experimentation, and small-scale application, so as to avoid financial loss due to unnecessary technology research failures and reduce overall risks and impact scope. The Group establishes corresponding emergency plans to deal with possible faults, system problems, and other unexpected situations that may arise from new technologies; establishes a monitoring mechanism to regularly evaluate the operation of new technologies and make timely adjustments and improvements based on feedback.

Risk Type			Impact of Risks	Coping Measures
	Reputational risks	Increased concerns or negative feedback from stakeholders	As climate change becomes increasingly concerned by society, the Group's customers, investors and stakeholders may have lower expectations of the Company's reputation if the Group is unable to actively respond to climate change and demonstrate its green transformation efforts through a variety of actions, affecting the confidence of all stakeholders.	<ul style="list-style-type: none"> The Group makes green building a key strategic focus and actively promotes green building design and construction to meet the needs of customers and the market. Through green building projects, the Group demonstrates to various stakeholders the Company's determination and actions to address climate change; The Group actively establishes cooperative relationships with governments, industry associations, research institutions, etc., to jointly promote the development of green buildings. At the same time, the Group establishes partnerships with suppliers, contractors, etc., to achieve green transformation goals together; The Group establishes a green performance evaluation system to regularly assess and monitor the environmental impact of projects, identify and improve existing issues, and enhance the Company's green transformation; The Group continuously carries out communication and education work to convey environmental concepts and implementation results to customers, investors, and other stakeholders.
	Market risks	Green transformation risks	The Group's business environment will be affected amidst the society-wide green transformation process, such as customers requesting companies to extensively use green products and green building materials, and they may choose the Group's competitor's products if there is a negative public opinion regarding climate change for the Group.	<ul style="list-style-type: none"> The Group monitors market demand and actively applies green building materials. The Group collaborates with suppliers to develop building materials that meet environmental requirements, strengthen sustainable certification of materials, and enhance environmental performance and market competitiveness, meeting consumer demand for green buildings; The Group expands the use of clean energy. During project operation, the Group implements deep energy-saving control measures for high-energy-consuming equipment and tracks greenhouse gas emissions data performance in real-time through an intelligent comprehensive management platform; The Group increases investment in research and development and innovation, and continuously improves technology and products. The Group enhances green transformation through technological innovation, product research and development, and other means, meeting consumers' environmental protection needs. At the same time, the Group actively participates in international cooperation and exchanges, and introduces international advanced technology and management experience, enhancing the Company's global competitiveness.

Perfect Quality and Making Progress Together



3 Perfect Quality and Making Progress Together

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* (《融創集團防滲漏標準做法》)”, the “*Application Guidelines for Prefabricated Building of Sunac Group* (《融創集團装配式建築應用導則》)”, the “*Internal Control System for Process Quality Control of Sunac Group* (《融創集團過程質量管控內控體系》)” and the “*Project Delivery Evaluation System of Sunac Group* (《融創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* (《融創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 2023, the Service Group has obtained ISO 9001 Quality Management System certification.

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 2023, 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”, leveraging on industry Internet + IoT + BIM and digital technology to facilitate the business innovation of its teams and realize cost reduction and efficiency increase. Taking the Real Estate business as a guide, the Group focuses on the digital upgrading of design, supply chain and platform management, so as to provide strong digital technology support for the business development. In response to the needs of the residential sector, the Group develops a unified BIM design standard at the technical level, focusing on the residential positive design phase and regulating BIM project management. 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 Group designs a drawings review platform to help the refined construction management and the integrated operation and handover of 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 2023, 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. In 2023, the Sunac Intelligent Construction Platform completed over 248,000 work procedures in total, over 69,000 field surveys and measurement data, over 38,000 batches of materials acceptance, and over 97,000 supervision logs.

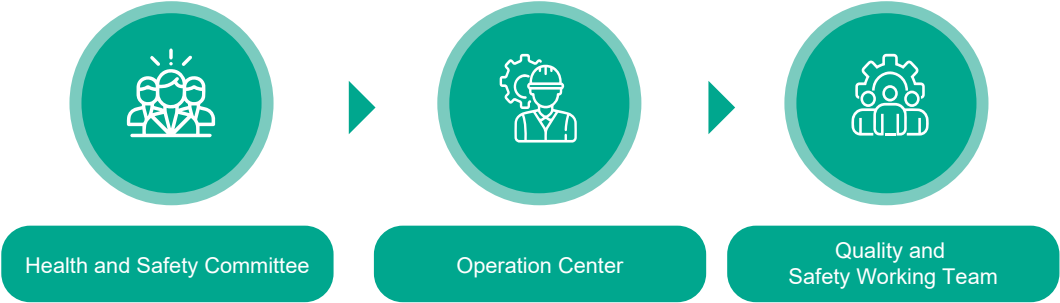
3.2 Safety and Health

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 the Quality and Safety Working Group, 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 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” with reference to the “*Occupational Health and Safety Management Systems Requirements with User Guidelines* (《職業健康安全管理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 2023, the Real Estate Group suffered 5 work-related injuries and 184.5 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 2023, the headquarters of theme park companies incorporated safety hazard atlases, safety briefing cards, and other materials into toolkits, providing support and materials for daily safety management of local companies to enhance the safety risk assessment capabilities of safety management personnel and local business lines. Bonski companies organized 128 safety inspections of the snowfields in 2023, ensuring that the venues and equipment were in good condition; and conducted 179 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, new technology of well type construction lift, high heat recovery technology and prefabricated construction, which achieves the overall improvement of safety performance, environmental benefits and construction efficiency while ensuring quality.

In daily operation management, 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 2023, 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. Bonski companies organized safety training 297 times in 2023, achieving a 100% pass rate for pre-job safety training and assessment for new employees. Theme park companies uploaded all training materials such as training slides and video files to the internal online learning platform (Sunac e-learning) in 2023. The training content covers the promotion of safety regulations, fire safety, equipment safety, and training for hazardous positions, providing comprehensive and convenient support for employees' self-learning. This comprehensive approach enhances employee safety awareness and reduces the occurrence of safety and health accidents. Furthermore, theme park companies have established employee safety training at three levels, special training and characteristic safety training and other training mechanisms. It fully leverages the responsibility system of local general managers, establishes a monthly on-site inspection and training model, and forms a monthly safety meeting, team morning and evening safety promotion meeting and other meeting systems to achieve multi-channel, multi-scenario, and multi-level safety culture construction in hierarchical, classified and localized manners.

In 2023, theme park companies targeted the strengthening of the safety inspection mechanism. Combining the comprehensive safety rankings of various local companies, they reinforced daily management for companies ranked in the middle or lower positions. Additionally, they increased specialized on-site assistance inspections, formed targeted support strategies for local companies, enhanced their problem-solving capabilities, and incorporated inspection hazards into the supervision and rectification of the safety management information system, achieving closed-loop control of informatization.

Case: Theme Park “Safety Tips Promotion” Activity

In 2023, considering their flexible employment model and the current situation of wide scope and large number of personnel, theme park companies' headquarters collaborated with local companies to launch the “Safety Tips Promotion” activity to enhance safety qualifications and solidify safety knowledge and emergency response capabilities. They compiled safety tips for various positions, including job operation procedures, taboos, emergency handling procedures for sudden job situations, and emergency contacts. The business scope involved 5 major departments, 15 relevant positions, and over 200 employees. The safety tips were highly tailored to job scenarios and distributed to relevant employees in electronic form. Employees could easily and quickly access them via mobile phones during morning and evening meetings or free time. This activity effectively increased the familiarity and proficiency of flexible employees with their job roles and improved emergency response speed during sudden incidents.



“Safety Tips Promotion” Activity

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 been building a one-stop “cloud” service platform for customers, allowing them to participate in the business and become the supervisors of the Group's services. “Cloud Customer (雲客)”, a customer relationship full-business operation system independently developed by the Group, runs through the whole business process of customer service, and builds a smart customer service “cloud” platform. It also improved the lifecycle customer database to achieve digital empowerment and promoted the transformation from “digital” to “digital intelligence” empowered business model.

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 suggestion improvement, 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 identified the key touch points of customer experience in each business type, and evaluated each touch-point by timely and efficient means such as online official account and message touch point surveys and 400 telephone surveys, and monitored key data of each business type to analyze customer service experience. Each business type sets targets from multiple dimensions, analyzes the progress of target achievement and major customers' feedback through the satisfaction results and the original voice of customers, and forms solutions.

In terms of customer delivery, the Group has always focused on industry changes and customer needs, actively exploring innovative dimensions of service and continuously striving to provide customers with better products and living experience. The Group gradually implemented innovation and revolution in various regions:



Increase efforts on the promotion of “monthly letters from home (每月家書)”, “cloud supervisor (雲監工)”, “cloud opening (雲開放)” and “sincere workshop (臻心工場)” during the waiting period of customer delivery, so that customers can know the quality of houses to be delivered in advance, follow up the progress of projects in real time, and alleviate their anxieties during the waiting period of delivery;



Create the first cloud delivery system in the industry, and fully realize paperless and remote online delivery in the integrated processes of customer reservation, visit, contract signing, payment and house inspection, greatly improving the handling efficiency of delivery procedures;



Improve the customer delivery experience. One-stop delivery, garden tour delivery, immersive art exhibition delivery and other delivery ways are all positive explorations for the Group;



Promote the activity of issuing real estate certificates immediately upon delivery in various projects across the country, which is also an innovative effort based on the sensitive points of customer needs.

Case: Outstanding Delivery Measures

In 2023, the Group completed the delivery of approximately 310 thousand units of housing¹ in 279 projects in 101 cities, once again demonstrating its strong delivery capability in the industry.

Beijing Xiangshan ONE CENTRAL

ONE CENTRAL is a top-tier product series of Sunac, with each ONE CENTRAL being a city landmark. As another representative work of Sunac's ONE CENTRAL series, Beijing Xiangshan ONE CENTRAL, with ten years of accumulation and iterative upgrades, was delivered as scheduled in 2023. Rooted at the foot of Xiangshan Mountain in Beijing's "Three Mountains and Five Gardens" area, it integrates the essence of Chinese royal garden construction with contemporary architectural aesthetics, blending nature with high-quality living. Xiangshan ONE CENTRAL evolves the concept of "ONE CENTRAL" living with visible spatial textures.



Beijing Xiangshan ONE CENTRAL

Shaoxing Binhu Bay

Born by the lake, the Shaoxing Binhu Bay project meticulously planted seedlings. At the time of delivery, lush greenery was arranged in a staggered manner. Upon entering Binhu Bay, the "backyard by the lake" unfolds before your eyes, presenting different scenery with every step.



Shaoxing Binhu Bay

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 environmental 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.

¹ The statistical scope covers the Group as well as its joint ventures and associates.

Case: Full-channel Monitoring of Customer Opinions in Cultural Tourism Cities, Strengthening Rectification Loops, Steadily Enhancing Customer Experience

Since its inception, the Group has centered its operations around customers and has been driven by user reputation, establishing a quality system. After continuous iterative development, the system has matured, mainly consisting of four stages: opinion monitoring, problem rectification, standard iteration, and implementation evaluation, achieving an effective cycle.

In terms of opinion monitoring, in 2023, the Group continued to increase its ability to discover problems in various formats by real-time monitoring through online (evaluation, Sunac mini program CRM, Douyin) and offline channels, capturing customer opinions more frequently and comprehensively, so as to better understand customers. Regarding problem rectification and standard iteration, targeted rectification plans are jointly developed by the quality department and business departments for effective negative reviews and complaints. The rectification is carried out from point to surface, with specialized analysis and implementation in the plans to fill gaps in existing business standards or promote standard iteration. In terms of implementation evaluation, after the determination of rectification results, relevant customer reputation issues are monitored in real-time through online and offline channels.

The Group has achieved an improvement in social customer reputation, with a 29.6% decrease in complaint rate compared to the previous year. The OTA scores (Online Travel Agency, rated out of 5 points) for various formats have all shown an upward trend, with a 0.05-point increase in the average score for land parks. Scores in respect of various business types in different cities also reached a high level (the scores of land parks, water parks and ocean parks being 4.83, 4.75 and 4.82, respectively) in 2023.

Bonski companies have comprehensively iterated and upgraded its online membership platform, providing a more user-friendly and considerate service experience for skiing enthusiasts:

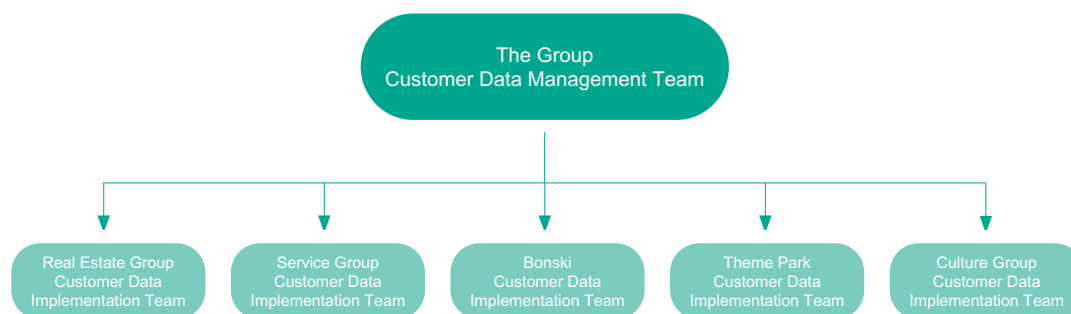
- The membership ecosystem service matrix has expanded to WeChat mini programs, Alipay mini programs, and the Bonski APP, aligning more closely with users' accustomed online paths;
- Streamlined usage pathways for more convenient operation processes;
- Enriched user-side page display content, providing snowfield business information, detailed introductions to snowfields, snowfield strategies, and other information to help users easily plan the entire skiing process.

In offline snowfield operation services, Bonski companies not only formulate standardized service procedures but also upgrade specific service items for each snowfield based on on-site requirements:

- 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 snowfield's characteristic service experience elements, such as providing heated snowsuits for some early morning visitors, offering heartwarming ginger tea for queueing customers, and providing small skiing interest gifts for children. The satisfaction rate for characteristic services in customer surveys reached 98%.

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 types, 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. In response to the actual market conditions in 2023, 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 “ <i>Delivery Risk Assessment Standards of Sunac Group</i> (《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 “ <i>Sincerity Notice</i> (《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 diversified complaint channels for property owners to minimize the possibility of missed or unreported issues. Property owners can lodge complaints, request repairs, and seek advice through the customer service hotline 400 and the official WeChat account.

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 reviewing and analyzing customer complaints 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 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. Providing customers with high-quality professional services, the Group continuously improves the 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. In 2023, the Real Estate Group received a total of 51,315 complaints from customers, while the Theme Park and Bonski companies received a combined total of 576 complaints from customers, with a 100% complaint closure rate and a customer satisfaction rate of 99.3%.

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 consideration 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* (《融創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.



According to the supplier management requirements, the Group carries out classified and hierarchical management of suppliers according to the category, the procurement value and risk impact, and stipulates the reward and punishment principles according to the classification recognition standards, and also carries out differentiated management of suppliers according to the classification and hierarchy status.


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 2023, approximately 61% of suppliers of the Group had the ISO 14001 Environmental Management System certification, approximately 69% of the suppliers had the ISO 45001/OHSAS 18001 Occupational Health and Safety Management Systems certification and approximately 67% 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. The Group regularly organizes supplier meetings and supplier seminars to maintain key relationships and communicate with long-term suppliers, and facilitates smooth feedback channels for suppliers in the process of contract implementation. The Group conducts supplier satisfaction surveys several times every year, compiles the “*Satisfaction Survey Conclusion Report* (《滿意度調查總結報告》)” based on the survey results, conducts training and makes improvement recommendations for those lines with problems.

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* (《融創供應商行為準則》)”.

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.

Case: Green Procurement Project – PVC Flooring

The main raw material for PVC flooring is polyvinyl chloride (PVC), which is an environmentally friendly, non-toxic, renewable resource that does not deplete forest or soil resources. It is widely recognized as an eco-friendly material. With its ultra-light and ultra-thin properties, with a thickness of only three to nine mm and weighing only four to seven kg per square meter, it accounts for only 10% to 50% of the weight of other flooring materials. In high-rise buildings, it can reduce the load-bearing capacity of the building and save space. The Group has introduced and vigorously promoted the application of this resource in projects to replace traditional floor materials such as tiles and wood flooring.

Being People-Oriented and Achieving Win-Win



4 Being People-Oriented and Achieving Win-Win

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》)”. In 2023, the Group updated the “*Requirements for the Administration of Interviews and Offers* (《面試錄用管理要求》)” to standardize the interview process and approval process for top talent. 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 job seekers, protecting the legitimate rights and interests of employees, and strictly implementing the labor contract system. In 2023, the Group had a total of 39,228 regular employees and 806 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 2023, 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.

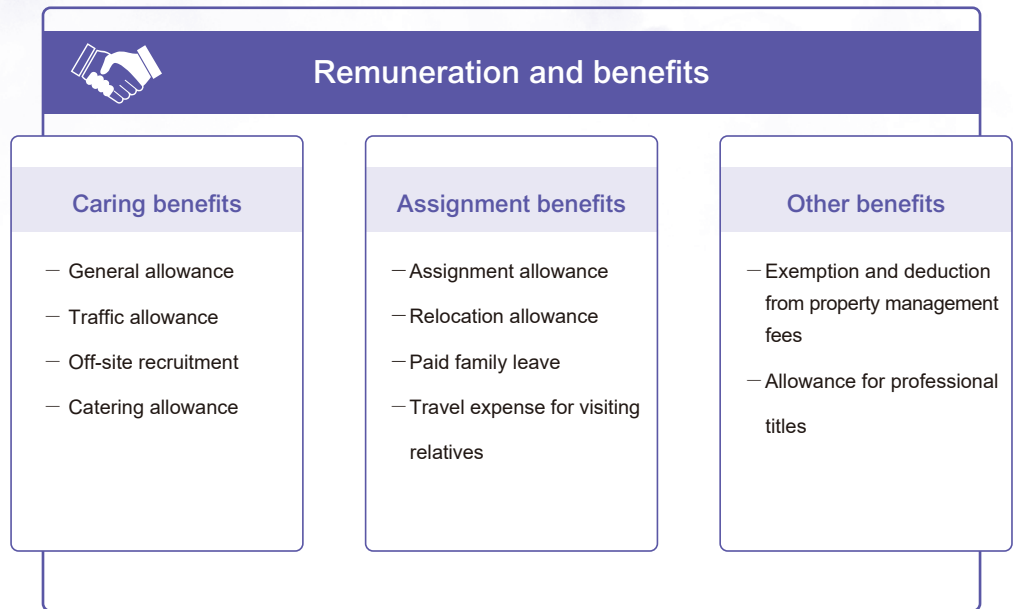
In order to ensure the principle of fair, open and diverse recruitment, the Group adheres to the inclusive and open recruitment values and continuously enriches the recruitment system and safeguard mechanism.

 The Measures for the Employment of 2023	
•	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

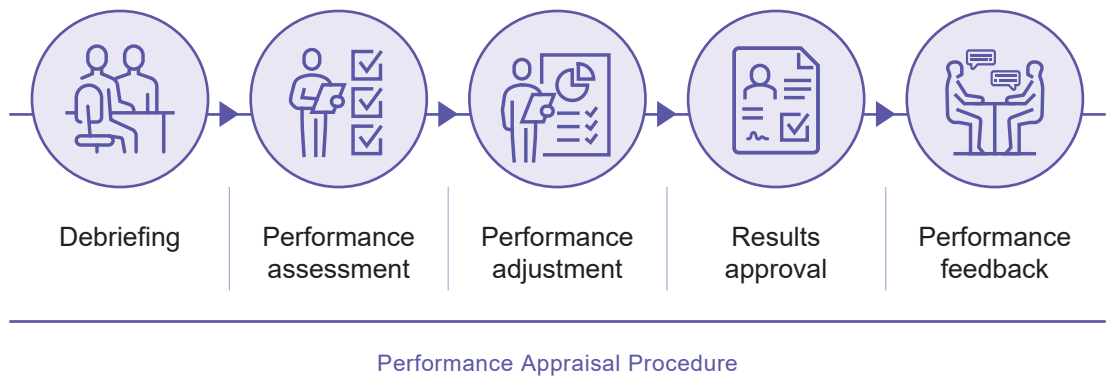
In 2023, the Group conducted regular inspections and comprehensively standardized the recruitment process in accordance with the principles and requirements outlined in the “*Standardization Workbook* (《標準化工作手冊》)”. Through popularizing the recruitment principles and system requirements to all employees 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. In 2023, in order to further clarify the employee welfare standards and welfare item standards, the “Measures for Management of Employee Welfare (《員工福利管理辦法》)” applicable to all employees of the Group were revised to fully protect fairness. On the basis of providing social insurance & housing fund, the Group continues to enrich welfare programs to inspire the enthusiasm of employees.



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.



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.

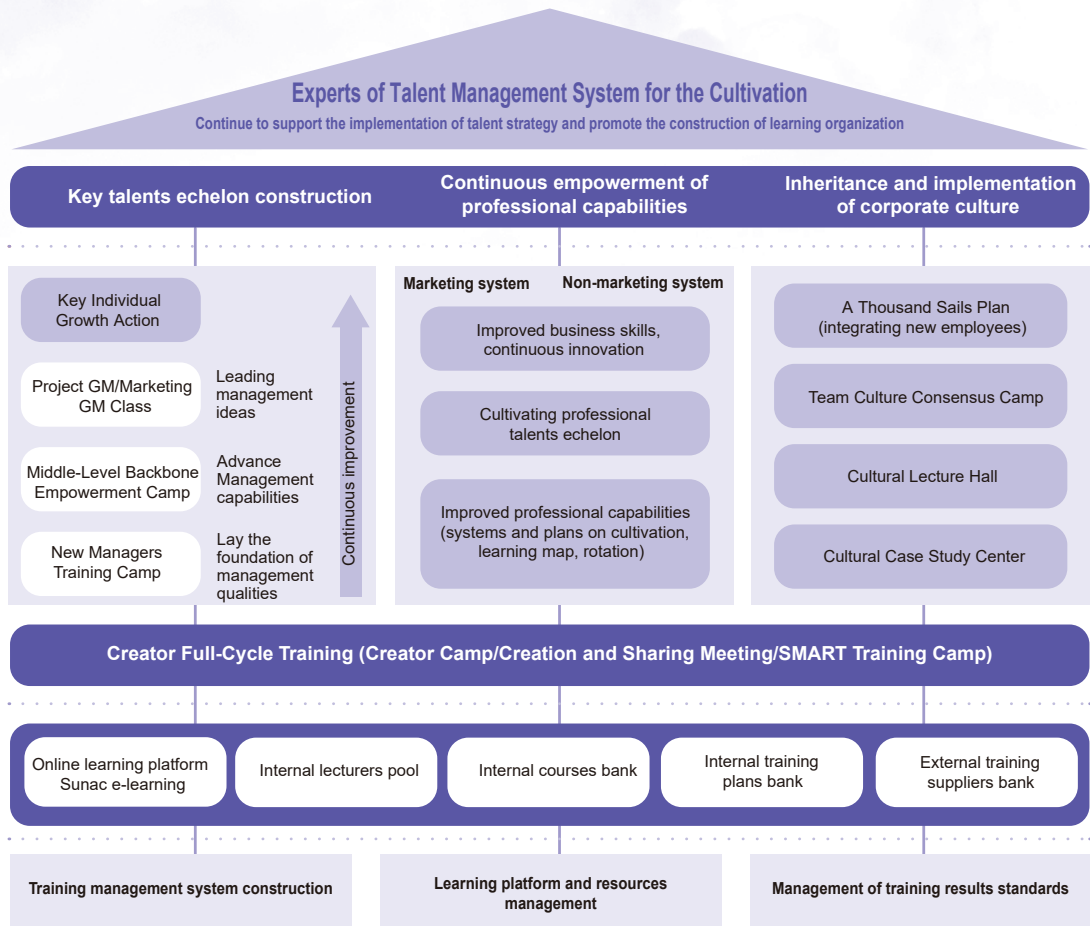
4.2 Talent Cultivation

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 2023, 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 2023, 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 2023, 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. Subsequently, the Group will continue to improve the operation and management norms and requirements of the training system.



General View on the Training System

Case: The Third Engineer Culture Festival

In order to encourage every engineer of Sunac to inherit the quality culture and stick to the craftsman spirit, the Group continued to create a cultural atmosphere of “commitment is responsibility, quality is faith”. Since 2021, the Group has set September as the Engineer Culture Month and 26 September as the Engineer Culture Festival, and the Third Engineer Culture Festival was successfully held on 26 September 2023.

The Third Engineer Culture Festival, themed “Upholding the Mission of Engineering, Achieving Delivery Goals”, was guided by five characteristics, i.e. “Integrity, Professionalism, Responsibility, Tenacity and Pragmatism”, and encouraged every engineer of Sunac to work together and win the engineering battle without fear of difficulties to ensure the delivery of each project. During the Third Engineer Culture Festival, Sunac engineers from more than 100 cities across the country solemnly swore and undertook that they would not forget their original intentions, and would bear in mind their mission, be brave in taking responsibility, strive for perfection, build every product well, and consolidate the quality cornerstone of Sunac products. At the same time, the outstanding engineers and engineering teams from all regions were also warmly commended at the Third Engineer Culture Festival, further promoting the inheritance and development of Sunac’s craftsman spirit.



The Third Engineer Culture Festival

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* (《融創多元共融政策》)", 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, the staff call center 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.

The Group attaches great importance to the care of female employees. On Women's Day, the Group organizes Women's Day activities and distributes Women's Day gifts to female colleagues. Female employees in the "three periods" (pregnancy, childbirth and lactation periods) have privileges over parking space at the workplace, and 80% of the regional platforms and urban platforms are equipped with mother and baby rooms in which refrigerators, disinfection machines and so on can be found.

Mission

**Undertakings and
Building Together for
a Better Future**



5 Mission Undertakings and Building Together for a Better Future

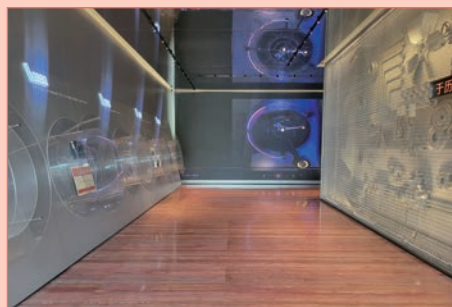
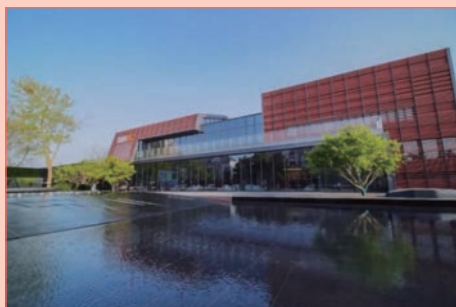
Adhering to the development concept of “a better life and social citizen”, the Group actively participates in urban and rural construction and social welfare undertakings, dedicates to establishing a long-term public welfare charity mechanism, fulfills social commitments, assumes social responsibility, 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 abides by the logic and laws of urban development, combines the business models with the needs of urban development and construction around the overall development goals of the cities, and provides optimal solutions for urban construction and operation while meeting the needs of urban residents for a better life. The Group fully fulfills its social responsibilities, actively promotes the improvement of urban quality, and promotes the organic growth of people, buildings and cities, accelerates the construction of residential environment, social environment and ecological environment protection projects, and carries out various services such as affordable housing construction, brownfield land development, integrated land utilization and urban renewal.

Case: Brownfield Development/Urban Rejuvenation/Urban Renewal – Sunac Ji’ning 1917 (formerly Shandong Shantui Machinery Factory)

The Sunac Ji’ning 1917 project site was originally the location of the Shandong Shantui Machinery Factory. Sunac invited internationally renowned design master teams to integrate the Canal Capital with century-old industrial cultural elements into the site. Using “time” as a thread to connect spaces, the project unfolds the past, present, and future of the site through a series of scenes such as Dock Street, Time BOX, Canal Mirror, and Time Tower, linking memories of different times and spaces, empowering the inheritance of historical culture. Sunac revitalized the old factory buildings on the original site of Shantui and transformed them into the Sunac • 1917 Industrial Art Museum, providing people with a spiritual space to admire industrial civilization and enjoy artistic influence.



Sunac Ji’ning 1917

Case: Integrated Land Utilization – Sunac Hangzhou·Yunfan Future City

In accordance with the urban planning and development needs of Hangzhou, the areas around the Qiantang River have become the main development areas for its future. Among them, the Yunfan community, as the comprehensive public service center of Hangzhou's important development area Qiantang New District, is a key area integrating functions such as business office, finance and trade, exhibition, and public services.

With a human-centered design approach, the Group jointly designed the Yunfan community as a core TOD centralized design area. By concentrating neighborhood centers, underground commercial areas, entrepreneurial offices, and shared office spaces, it forms an above-ground and underground interactive TOD core complex, gathering people, spaces, and functions, greatly improving the accessibility, comfort, and convenience of the entire community.



Sunac Hangzhou·Yunfan Future 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 2023, 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: Chongqing Cultural Tourism City – A Seven-Year Urban Story

In 2016, the Chongqing Cultural Tourism City officially signed an agreement to settle in Shapingba. At that time, Shapingba was only characterized by low factory buildings and narrow rural roads, making it difficult for vehicles to pass through. After 360 days and nights, the planning schemes for various formats of the Chongqing Cultural Tourism City gradually emerged. At the end of 2017, the construction of the Chongqing Cultural Tourism City was fully launched, and on 26 September 2020, it grandly opened. Formats such as Sunac Mall, Water Park, Snow Park, Ocean Park, Yule Town, and a group of star-rated hotels were all put into use. While creating a world-class one-stop entertainment destination, it continuously improved urban functions and enhanced the livability and business suitability index of the area.



From 2019 to 2022, clusters such as Changhujun, Xiyang, Jinyu, Yuhe Bay, Yulu, Qushuifenghe • Songjian, Qushuifenghe • Yunqi were successively delivered. On 30 May 2023, the last residential cluster, Qushuifenghe • Zhuli, was delivered, marking the successful completion of the approximately 6,700-mu large city. In five years, the Chongqing Cultural Tourism City has delivered a total of 25 clusters, approximately 30,851 residential units.



Chongqing Cultural Tourism City Residential Cluster

In seven years, the Chongqing Cultural Tourism City has transformed the once barren land into a comprehensive urban complex. In the process of urban industrial upgrading and consumption structure iteration, it has become a landmark in cultural tourism, filling the gap and becoming a joyful destination in the city of mountains and rivers. Meanwhile, through the exploration of urban development possibilities, it has constructed buildings, attracted crowds, and continuously driven the value of the new city to rise.



Chongqing Cultural Tourism City Panoramic View

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 2023, 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, environmental protection actions, etc.

In 2023, the Group launched public welfare activities across 20 cities of 15 provinces (municipalities), with more than 40,000 participants consisting of our employees, property owners and citizens, combining the love force of all parties, allowing more and more people to do public welfare.

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 2023, 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.

Case: “A Ray of Light Charity Market”

In 2023, through the China Foundation for Rural Development’s Good Products Community e-commerce platform, Sunac purchased agricultural products to help farmers increase their income and promote rural industry development by means of consumer support. By organizing the “A Ray of Light Charity Market” event, we collaborated with property owners and the public to hold a charity sale of purchased agricultural products, raising awareness of charity-supported agricultural platforms and mobilizing more efforts to promote sustainable rural development.



“A Ray of Light Charity Market” Activity

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 2023, the Group has cumulatively disbursed over RMB36 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 2023, the Group continued its “Saplings Charity Program” assistance approach, launching various themed activities such as “Love Fundraising, Love Continues”, “Education Chapter on Doing Good Things in Spring” and “Buddy’s Toy Festival” in Guilin, Langfang, Wuhan, and other locations. These activities donate learning materials and educational resources such as books, stationery, and educational toys, supporting the diversified development of children in underdeveloped areas. Additionally, leveraging its own cultural tourism resources and business advantages, the Group innovatively organized activities like “Ice & Snow into Campus (冰雪進校園)” and “Rural Campus Tour – Marine Science Education (鄉村校園行—海洋科普)” to ignite youths’ passion for nature and science, contributing to cultural revitalization.

Case: “Ice & Snow into Campus”

In 2023, the Group vigorously implemented the “Ice & Snow into Campus” initiative. Across Guangzhou, Wuhan, Wuxi, Harbin, Xi’an, Chengdu, Chongqing, Kunming, and other cities, a total of 60 “Ice & Snow into Campus” events were held, involving 44 schools and nearly 30,000 participants. We popularized knowledge about ice & snow among young people through nationwide open classes, campus roadshows, public knowledge lectures, and physical fitness tests and assisted in establishing school skiing teams to support children’s ice & snow dreams in a long-term and sustainable manner, and promote 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” Activity

Case: “Rural Campus Tour – Marine Science Education”

In 2023, Sunac Theme Park companies carried out marine science education activities for left-behind and remote rural children. Teachers from Sunac ocean parks brought marine creatures such as jellyfish, baby sharks, corn snakes, chinchillas, and raccoons into rural campuses in Chongqing, Nanchang, and other areas, offering various marine biology courses to help children understand the diversity of marine life and promote ocean culture. Simultaneously, we invited children to visit ocean parks, interact closely with various marine creatures, broaden their horizons, and provide more development possibilities for their learning and growth.



“Rural Campus Tour – Marine Science Education” Public Welfare Activity

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.

Case: Sunac Commercial “Green Little Guardian”

In 2023, Sunac Commercial continued its “Green Little Guardian (綠色小衛士)” Children’s Public Welfare Activity, collaborating with nearly a hundred cross-industry companies in nearly ten cities including Ji’nan, Xishuangbanna, Hefei, Guangzhou, and Qingdao. We invited teenagers and their families to participate in green-themed public lectures, calling on the public to take care of the environment through their own actions, so that the concept of “green, low-carbon, and environmental protection” can be deeply rooted in people’s hearts, and a total of 3,000 people participated in the activities. During the activities, teenagers not only enhanced their awareness of environmental protection but also gained insights into the “3060 Carbon Neutral Forest Adoption Plan Project (3060碳中和森林認養計劃)” and the importance of desertification control, prompting them to actively and continuously explore and learn about desert terrain, landforms, vegetation, and management methods, exploring the circular economy of the “desert industry”.



“Green Little Guardian”
Children’s Public Welfare Activity

Case: “Bend Down for Environmental Protection”

In 2023, the Group conducted various “Bend Down for Environmental Protection (彎腰行動)” activities in Tangshan, Zhaotong, and other places with themes including “Washing Mother River’s Face (為母親河洗臉)”, “Doing Good Things in Spring: Environmental Protection Chapter (春天益起做好事之環保篇)”, and “Low-carbon Running (低碳奔跑)”. We organized employees, property owners, and partners, forming volunteer teams to convey environmental protection concepts to more members of public. Volunteers repeatedly cleaned up various types of garbage along riverbanks and in mountain forests, and collaborated with environmental organizations to classify and differentially process the waste.



“Bend Down for
Environmental Protection” Environmental
Protection Activity

Key Performance Table

Environmental Performance Table for 2023

Indications	Unit	Real Estate and Culture	Cultural Tourism	Service
Total greenhouse gas (GHG) emission ¹	Tons	18,115.61	296,304.79	457,327.04
Scope 1	Tons	1,480.66	31,738.14	1,216.43
Scope 2	Tons	16,634.95	264,566.65	456,110.61
GHG emission intensity	Tons/total number of employees	2.46	52.47	/
	Tons/sq.m. ⁵	/	/	0.002
Total non-hazardous waste ²	Tons	1,263.67	5,196.34	1,316.91
Non-hazardous waste intensity	Kg/total number of employees	171.51	920.19	/
	Kg/sq.m.	/	/	0.005
Total hazardous waste ³	Tons	13.12	6.96	2.63
Hazardous waste intensity	Kg/total number of employees	1.78	1.23	/
	Kg/sq.m.	/	/	0.000
Total water consumption	Tons	1,289,218.55	9,103,621.65	17,231,025.84
Water consumption intensity	Tons/total number of employees	174.98	1,612.12	/
	Tons/sq.m.	/	/	0.063
Total comprehensive energy consumption ⁴	MWh	35,334.72	652,959.76	805,182.00
Direct energy consumption	MWh	6,165.94	156,443.72	5,408.88
<i>Gasoline</i>	<i>MWh</i>	<i>4,768.26</i>	<i>910.78</i>	<i>1,271.93</i>
<i>Diesel</i>	<i>MWh</i>	<i>35.63</i>	<i>1,383.50</i>	<i>838.28</i>
<i>Natural gas</i>	<i>MWh</i>	<i>1,240.55</i>	<i>154,149.44</i>	<i>2,995.00</i>
<i>Liquefied petroleum gas</i>	<i>MWh</i>	<i>121.50</i>	<i>/</i>	<i>303.67</i>
Indirect energy consumption	MWh	29,168.78	496,516.04	799,773.12
<i>Purchased electricity</i>	<i>MWh</i>	<i>29,168.78</i>	<i>463,907.85</i>	<i>799,773.12</i>
<i>Purchased Steam</i>	<i>MWh</i>	<i>/</i>	<i>5,011.20</i>	<i>/</i>
<i>Purchased hot water</i>	<i>MWh</i>	<i>/</i>	<i>1,060.68</i>	<i>/</i>
<i>Purchased heat</i>	<i>MWh</i>	<i>/</i>	<i>26,536.31</i>	<i>/</i>
Comprehensive energy consumption intensity	MWh/total number of employees	4.80	115.63	/
	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 "Notice Regarding the Management of Greenhouse Gas Emission Reports in the Power Generation Industry for 2023–2025 (《關於做好2023–2025年發電行業企業溫室氣體排放報告管理有關工作的通知》)" 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 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 2023.

Social Performance Table for 2023

Name of Indicators	Unit	2023
Total number of employees	Person	39,228
Gender		
Male	Person	23,341
Female	Person	15,887
Age group		
30 or below	Person	11,775
31 to 50	Person	24,759
Above 50	Person	2,694
Work regions		
Mainland China	Person	39,227
Hong Kong, Macao and Taiwan, of the PRC	Person	1
Business system		
Real Estate	Person	7,215
Service	Person	26,213
Cultural Tourism	Person	5,647
Culture	Person	153
Rank		
Upper-level managers	Person	1,099
Mid-level managers	Person	15,343
Primary-level employees	Person	22,786
Total number of employee turnover	Person	20,468
Gender		
Male	Person	12,103
Female	Person	8,365

Name of Indicators	Unit	2023
Age group		
30 or below	Person	10,995
31 to 50	Person	8,858
Above 50	Person	615
Work regions		
Mainland China	Person	20,468
Hong Kong, Macao and Taiwan, of the PRC	Person	–
Employee turnover rates	%	34.29%
Gender		
Male	%	34.15%
Female	%	34.49%
Age group		
30 or below	%	48.29%
31 to 50	%	26.35%
Above 50	%	18.59%
Work regions		
Mainland China	%	34.29%
Hong Kong, Macao and Taiwan, of the PRC	%	–
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	2023
Total training hours	Hour	2,448,691
Average hours of employee training	Hour	62.42
Gender		
Male	Hour	62.83
Female	Hour	61.83
Rank		
Upper-level managers	Hour	42.85
Mid-level managers	Hour	82.46
Primary-level employees	Hour	49.88
Total number of suppliers		36,687
Mainland China		36,612
Hong Kong, Macao and Taiwan, of the PRC		28
Overseas regions		47
Social welfare donations		
Number of participants	Person	29,549
Total time invested	Hour	383,225

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

Disclosure Metrics		Responses
Category: Environmental		
A1: Emissions		
General Disclosure		2.4 Green Operation
A1.1	The types of emissions and respective emissions data	Key Performance Table
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Key Performance 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

Disclosure Metrics		Responses
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
A4: Climate Change		
General Disclosure		2.5 Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	2.5 Climate Change
Category: Social		
Employment and Labour Practices		
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

Disclosure Metrics		Responses
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
Operating Practices		
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 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
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
Community		
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

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