



中國恒大集團

CHINA EVERGRANDE GROUP

China Evergrande Group

中國恒大集團

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限責任公司)

Stock Code 股份代號: 3333

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

環境、社會及管治報告

2018



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ADDRESS FROM CHAIRMAN

Ever since its inception, Evergrande has been adhering to the philosophy of “putting people’s well being as the first priority”. We are committed and conscientious to the operation, management and development of the enterprise in strict compliance with the applicable laws and regulations, and continues to expand and strengthen its business. Evergrande also strives to create more wealth for the society, providing more jobs and pay more taxes.

In 2018, we launched the major strategic decision of “New Evergrande, New Starting Point, New Strategy and New Blueprint”, achieved quality development of the Company and leaped to the 230th place among Global Top 500. Through years of exploration, and based on continuous consolidation of the principal business of real estate, the Group has gradually formed a diversified industrial layout consisting of real estate for people’s well being, tourism, health and high technology.

In the meantime, we are deeply aware that an enterprise can lay a century-old foundation only through assuming social responsibility consciously. We continue to create stable value returns for the investors and the shareholders through efficient and steady development of the enterprise; adhere to the strategic cooperation with the upstream and downstream leading enterprises on the principle of “win-win, fairness and transparency”, vigorously facilitating the development of upstream and downstream enterprises in the industry; and hold onto the value of “never forgetting the origin and returning to the society”, actively devoting to the cause of charity and public welfare, such as poverty alleviation.

It is the cornerstone of Evergrande in making transcendent progress and seeking for the excellence to remain true to our original aspiration and forge ahead. We firmly believe that, facilitated by the east wind of the government in unshakable promotion of the reform and opening up and steadfast support for the development of private economy, Evergrande will experience faster, better, bigger and stronger development, and make our due contribution in achieving the construction of a moderately prosperous society and the goal of struggling for the century.

China Evergrande Group

Chairman of the Board of Directors

Hui Ka Yan

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I. ABOUT THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

China Evergrande Group is pleased to announce the Environmental, Social and Governance Report (this “Report”) of the Company and its subsidiaries (the “Group”, “we” or “us”). This Report discloses the concept, practice and performance of the Group in terms of environment, society and governance in 2018, so as to enhance the understanding and confidence of all stakeholders in the Group and continuously improve the sustainable development performance of the Group.

The information contained in this Report covers the period from 1 January to 31 December 2018, and includes contents dating back to previous years. This Report covers the principal businesses of the Group, including real estate development, property investment, property management, real estate construction, hotel operation, finance business, Internet business and health business. For details of the businesses of the Group, please refer to the 2018 financial report of the Group. For environmental, social and governance details of the Internet and health businesses, please refer to the 2018 Annual Report of HengTen Networks Group Limited and the 2018 Annual Report of Evergrande Health Industry Group Limited.

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of the Stock Exchange of Hong Kong Limited (“the HKEX”). The preparation of this report was in compliance with the principle of materiality, quantification and consistency, aiming at an adequate reflection of the efforts and achievements of the Group in the aspect of ESG in 2018. The final section of this Report contains a detailed content index of the ESG Reporting Guide for readers’ quick reference.

The disclosed information in this Report is derived from the Group’s official documents and reports, internal statistical data and relevant public information. Unless otherwise stated, the data in this Report shall use RMB as the settlement currency.

This Report is available in both Chinese and English and published in both paper and electronic forms. In case of any discrepancy between the Chinese and English versions of this Report, the Chinese version shall prevail. You can access the Group’s official website <http://www.evergrande.com/> or the HKEX’s website www.hkex.com.hk for an electronic copy of this Report.

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II. EVERGRANDE'S BUSINESS STRENGTH

1. Overview of business development

The Group is one of the Fortune Global 500 enterprises with real estate for people's well-being as the foundation, cultural tourism and health preservation as its two wings and high-tech industry as the lead. By the end of 2018, the Group's total assets reached RMB1.88 trillion, the annual contract sales exceeded RMB550.0 billion, income tax incurred in 2018 amounted to RMB60.218 billion, and the number of employees reached 131,694.

Consolidating and strengthening real estate development business:

Pursuing the notion of "Caring for People's Livelihood", the Group has more than 800 projects in more than 280 cities in China and has strategic cooperation with more than 800 well-know enterprises in the world. The Group implements the quality strategy continuously, formulates more than 6,000 pieces of "quality engineering standards" for project planning and design, engineering construction, garden supporting facilities, decoration, materials and equipment, strives to create quality and cost-efficient products, and becomes a forerunner of the industry in "delivering the building with fine decoration" and "guaranteeing no reason house return", aiming to help more than 6 million property owners realize their dream of livability.

In 2018, the Group completed 589 projects totally or partially, with a total completed construction area of 72.25 million square meters. And up to 31 December 2018, the Group had 714 projects under construction, with construction area of 135 million square meters.

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Brilliant results in diversified layout:

Cultural Tourism

Evergrande Tourism Group focuses on development and operation of cultural tourism project, and strives to build an all-rounded cultural tourism complex layout. It built the cultural tourist resort “Ocean Flower Island in Hainan China” yearned for the world, and distributed “Evergrande Fairyland”, the indoor, round-the-clock, all-season fairytale and myth theme parks around the country, serving millions of kids and teenagers.

As of 31 December 2018, Evergrande Tourism Group had 17 project of cultural tourism and high-tech agriculture in Ocean Flower Island, Qidong, Guiyang, Changsha, Kaifeng, Taicang, Jurong, Meishan, Xi’an, Yantai, Cangzhou, Shenyang, Jilin, Ezhou, and Wuhan.

Health Preservation

Evergrande Health Industry Group Limited (“Evergrande Health”, stock code: 0708) has actively practiced the national strategy of “Healthy China”, forged the key product Evergrande Healthy Valley, and constructed a membership platform, consolidating first-class elderly care and health preservation, health management and medical insurance resources, and providing the members with comprehensive elderly care and health preserving service for all-aged population.

As of 31 December 2018, Evergrande Health has laid out Evergrande Healthy Valley in 12 livable cities, namely Sanya, Ocean Flower Island, Xi’an, Zhengzhou, Zhenjiang, Xiangtan, Nanjing, Yuntai Mountain, Chongqing, Shenyang, Wuzhou, and Hohhot. Boao Evergrande International Hospital has officially opened in February 2018, and has been verified as level 3 hospital specialised in oncology in November of the same year.

Life Insurance

Based on insurance business such as life insurance, annuity and accidental injury, centered in customers, and bonded by insurance, Evergrande Life Insurance Co., Ltd. (“Evergrande Life Insurance”) actively promotes the strategic planning of “big elderly care, big health and big community”, providing customers with professional insurance services that cover the whole life-cycle, including personal protection, wealth management, health preservation and medical care.

Currently, Evergrande Life Insurance has ranked among the TOP20 of the life insurance companies in China, with total assets exceeding RMB100 billion.

High-tech Industry

Evergrande High Technology Group (恒大高科技集團) vigorously assists the construction of powerful nation with advanced science and technology, deepens cooperation with research institutions at home and abroad, explores frontier technologies, and introduces high-tech talents. It also invests in high-tech companies, and constructs a technically-innovative and market-oriented system with enterprise as the main body and with deep integration of production, education and research.

In April 2018, Evergrande signed a comprehensive cooperation agreement with Chinese Academy of Sciences in Beijing. Currently, first batch of projects such as “CAS-Evergrande” supercomputer cooperated by the two sides has been signed and implemented.

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Operating performance indicators in 2018:

In 2018, the Group continued to unswervingly implement the development model of “Scale + Benefit”, as well as the business model of “Three Lows and One High” including low liabilities, low leverage, low costs and high turnovers, and focused on the quality of growth while maintaining moderate growth in scale. In 2018, the Group’s contract sales amount reached RMB551.34 billion, exceeding the annual sales target of RMB550.0 billion; the annual profit of core business was RMB78.32 billion and the profit margin of core business was 16.8%, up by 3.8 percentage points from 13.0% in 2017.

Amount of contract sales RMB 551.34 billion	Area of contract sales 52.435 million square meters	Cash Balance RMB 204.21 billion
Turnover RMB 466.20 billion	Gross profit RMB 168.95 billion	Net assets RMB 308.63 billion

Awards and prizes in 2018:

Awarding time	Name of awards	Issuing authority
21 March	The first place for Chinese Top 500 Real Estate Developers in 2018	China Real Estate Association Shanghai E-House Real Estate Research Institute China Real Estate Evaluation Center
22 March	2018 Top 100 Chinese Real Estate Enterprises The first place for Top 10 Comprehensive Strength of 2018 Top 100 Chinese Real Estate Companies	Enterprise Research Institute of Development Research Center of the State Council Real Estate Research Institute of Qsinghua University China Index Academy
23 March	The first place for 2017-2018 China Real Estate Poverty Alleviating Benchmarking Developers	Enterprise Research Institute of Development Research Center of the State Council Real Estate Research Institute of Qsinghua University China Index Academy
3 May	2017 Top 100 Hong Kong Listed Companies	Top 100 Hong Kong Listed Companies Research Center
15 May	2017 Guangdong Red Cotton Cup for Poverty Alleviation	Guangdong Foundation for Poverty Alleviation
19 July	The 230th place of Global Top 500 enterprises	Fortune magazine
24 July	Letter of Appointment of Chairman of the Presidium of Friends of Hong Kong Association	Friends of Hong Kong Association

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Awarding time	Name of awards	Issuing authority
13 September	China Charity Award (Hui Ka Yan)	Ministry of Civil Affairs China Charity Alliance
18 September	The second place for the Top 10 Brands of Chinese Real Estate Developers in 2018	Chinese Real Estate Industry Association
19 September	The third place for Leading Company Brands of China's Real Estate Industry in 2018 Evergrande Property (Jinbi Real Estate Co., Ltd.) won: The 5th place for 2018 Specialized Operational Leading Brand of China Property Service Companies	China Real Estate Top 10 Research Group (composed of the Enterprise Research Institute of Development Research Center of the State Council, the Real Estate Research Institute of Qsinghua University and China Index Academy, the same below)
26 September	Outstanding Entrepreneurs of Guangdong Province for the 40th Anniversary of China's Reform and Opening-up (Hui Ka Yan)	Guangdong Provincial Enterprises Confederation Guangdong Provincial Entrepreneurs Confederation
26 September	Outstanding Enterprises of Guangdong Province for the 40th Anniversary of China's Reform and Opening-up	Guangdong Provincial Enterprises Confederation Guangdong Provincial Entrepreneurs Confederation
15 October	Evergrande Property (Jinbi Real Estate Co., Ltd.) won: 2018 Top 100 Property Management Companies of China in comprehensive strength	China Property Management Institute Shanghai E-House Real Estate Research Institute China Real Estate Evaluation Center
24 October	100 Outstanding Private Entrepreneurs for the 40th Anniversary of China's Reform and Opening-up (Hui Ka Yan)	The United Front Work Department of CPC Central Committee All-China Federation of Industry and Commerce
28 October	Personality of China's Private Economy for 40 Years (Hui Ka Yan)	China Business Times Press

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2. Highlights of the year

4 January	The Group published its sales performance in 2017 of RMB500.96 billion.
28 February	“Boao Evergrande International Hospital” jointly built by Evergrande Health (HK.0708) of the Group and Brigham and Women’s Hospital (BWH) of the U.S. was officially opened.
10 March	Hui Ka Yan, the chairman of the board of the Group attended the press conference of the 1st meeting of the 13th session of the Chinese People’s Political Consultative Conference (CPPCC).
14 March	Hui Ka Yan, the chairman of the board of the Group was selected as the standing committee member of the 13th session of the CPPCC.
21 March	The Group won the first place of “2018 China Real Estate Development Enterprise TOP500” consecutively, and at the same time gained honors such as “Comprehensive Strength TOP10”, the first place of “Comprehensive Development TOP10”, and the second place of “Operational Efficiency TOP10”.
26 March	The Group announced its results in 2017, and ranked first in the industry in terms of multiple core figures of the core business of the Group such as the profit, net profit and turnover.
29 March	The Group convened the 2018 work meeting, and announced the official implementation of the 7th major strategic decision of “New Evergrande, New Starting Point, New Strategy, and new Blueprint”.
31 March	The Group held the 2018 Senior Summit of Strategic Partners, gathering more than 1,000 renowned entrepreneurs at present.
9 April	The Group signed a comprehensive cooperation agreement with Chinese Academy of Sciences in Beijing, marking its official entry of the high-tech industry.
9 May	2018 China Brand Value TOP100 was published and the Group led the list by a brand value of RMB78.0 billion.
16 May	The construction of Xi’an Evergrande Fairyland was officially commenced.
25 May	The Group won the first place in terms of comprehensive strength in the “2018 China Real Estate Listed Companies TOP100” jointly issued by China Real Estate Association and China Real Estate Evaluation Center.
7 June	“Forbes” website of the U.S. issued “Global 2000 Companies List” in 2018, and the Group ranked the 127th place.
19 July	“Fortune” magazine issued the global 500 list in 2018, and the Group ranked the 230th place with a turnover of USD46.019 billion, up by 108 notches.
31 July	“Forbes” website of the U.S. issued the 2018 China Charity List. Hui Ka Yan, the chairman of the board of the Group ranked top among the list with a cash donation of RMB4.21 billion, and became the No.1 philanthropist of China for the third time.
28 August	The Group announced the interim results of 2018, and multiple core indicators continued to rank first in the industry with core profit of RMB55.01 billion, net profit of RMB53.00 billion, turnover of RMB330.35 billion, total assets of RMB1,769.9 billion and net assets of RMB324.5 billion, all of which marked the highest records of the industry.

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29 August	All-China Federation of Industry and Commerce issued the “2018 China Private Enterprises TOP500”, and the Group ranked the 7th place among the list.
13 September	Ministry of Civil Affairs of the PRC held the tenth “China Charity Award” commendation conference at the Great Hall of the People, and Hui Ka Yan, the chairman of the board of the Group, won such highest price for the 8th time.
23 September	The Group invested RMB14.49 billion in China Grand Auto, holding 41% of its equity interests and becoming the second largest shareholder of China Grand Auto.
24 October	Hui Ka Yan, the chairman of the board of the Group, was selected as one of the 100 outstanding private entrepreneurs in the 40 years of reform and opening up.
19 November	The Group announced to devote RMB50 million every year to hold youth training tournament in Madrid since 2019, facilitating the football youth training of China.
1 December	The Group reached the third anniversary of the partner assistance with Bijie City, Guizhou Province, and achieved phasic results on poverty alleviation.
15 December	Hui Ka Yan, the chairman of the board of the Group, returned to his hometown, Zhoukou Henan, to visit the local folks and have meals together, looking back for the bitter and sweet memories, and donated RMB650 million.

III. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PHILOSOPHY AND STRATEGY

1. Our sustainable development philosophy and strategies

Closely adhering to the national strategic approach and insisting on the operation philosophy of “Caring for People’s Livelihood”, the Group pays close attention to the needs of people’s livelihood, actively explores high-tech industries, and has gradually formed diversified industrial layout in real estate, cultural tourism and health preservation, so as to comprehensively improve the quality of life of people of all ages.

Being an enterprise with a sense of responsibility, we, in enhancing our own business development, actively assume our environmental and social responsibilities by paying close attention to the demands and expectations of our stakeholders, continuously improving our internal environmental, social and governance system and guaranteeing the better integration of our sustainable development philosophy into the enterprise’s strategic planning and operational decision-making, so as to realize a balanced development of economy, environment and society and strive for creating a wonderful life for common people.

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Product Responsibility

Adhering to the enterprise tenet of “building the brand with quality and establishing the enterprise with integrity”, the Group continues to implement the excellence strategic, fits the rigid needs of ordinary people, and has been committed to build residential products with high quality and high cost efficiency, making contribution to the development of the city.

Talent Cultivation

Adhering to the talent philosophy of “talent-based country and talent-based industry”, the Group introduces talents through multiple channels and trained them with efficient mechanism, so as to guarantee strong human resources for its development. In addition, the Group also creates jobs to help stabilize employment and cultivate excellent professionals for the industry.

Compliance Operation

The Group promotes “transparent cooperation”, and makes integrity run through all links including operation and management, customer service, communication and cooperation and development and win-win, so as to ensure the healthy development and steady operation of the enterprise.

Giving Back to the Society

Upholding the public welfare philosophy of “being kind to others and helping the poor”, the Group actively responds to the national call for targeted poverty alleviation and new rural area construction, continues to assume its social responsibilities, and makes its due contributions to economic and social development.

2. Corporate governance

A high-level corporate governance is critical to the improvement of the enterprise’s performance and sustainable development. In strict accordance with the requirements in Appendix XIV Corporate Governance Code of the HKEX’s Main Board Listing Rules, the Group establishes the Board of Directors and its subordinates, namely the Audit Committee, Remuneration Committee and Nominating Boards of Directors, and defined their respective responsibilities. The Group’s Board of Directors strived to adhere to good corporate governance principles and to comply with the provisions and requirements of the laws and business standards. The Group’s Board of Directors takes charge of the risk management and the internal control systems, and assumes responsibilities for reviewing the effectiveness of such systems. The Group’s Board of Directors also takes charge of evaluating and determining the nature and extent of risks that the Group would be willing to accept in achieving its strategic objectives, and overseeing the establishment and maintenance by the management on appropriate and effective risk management and internal control systems. The management takes charge of establishing and maintaining effective risk management and internal control systems, and confirming the effectiveness of such systems with the Group’s Board of Directors.

For more information on the Group’s Board of Directors, corporate governance structure, risk management and internal control, please refer to the sections of Board of Directors and Committees and Corporate Governance Report in China Evergrande Group 2018 Annual Report published on the Group’s official website: <http://www.evergrande.com>/or the website of HKEX: www.hkex.com.hk.

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The Group attaches great importance to ESG governance and risk management, as it was well aware of the possible impact of ESG issues, such as product quality and safety, social input, supply chain anti-corruption management and employment relationship management, on the Group's financial performance and sustainable development, including the possible impact on the Group's cost control, fund-raising ability and social reputation. The Group's Board of Directors assumes full responsibilities for the environmental, social and governance strategies and the reporting of the Group, as well as the review and formal approval of its annual ESG reports. The Group's Board of Directors understands and discusses the issues related to ESG governance through general meetings and board meetings, and issues instructions depending on the particular situations of the relevant issues.

Also, in virtue of the preparation and disclosure of this report, the Group strengthens the communication with its stakeholders and continues to improve the ESG governance capacity.

IV. STAKEHOLDER ENGAGEMENT

Attaching great importance to the stakeholder relationship management, the Group continues to improve the communication mechanism with the government, investors, shareholders, customers, suppliers, employees and other stakeholders, timely understands their expectations and suggestions, and based on which, improves continuously its sustainable development strategies and planning, so as to build solidly a cooperative relationship with all stakeholders and achieve the coordinative and sustainable development of economy, environment and society. After communicating through diversified channels such as conference activities, WeChat official account and official website, the Group has sorted out and responded to the expectations and appeals of the stakeholders as follows:

Stakeholders	Expectations and Appeals	Communication and Response
Shareholders and investors	Financial performance Protection of interests Corporate Transparency Risk control	Improves profitability Convenes general meetings Daily information disclosure Optimizes internal control and risk management
Government and regulatory authorities	Operate in compliance with the law Tax payment in accordance with the laws Respond to the national call Support local development	Law-abiding operations Tax payment on time and in full Actively implements related policies Proactively undertakes social responsibilities
Employees	Career development platform Remuneration and benefits Healthy and safe working environment Listen to employees' opinions	Improves the career promotion mechanism Competitive salary and benefits protection Implements health and safety management system Equal communication and complaint mechanism

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Stakeholders	Expectations and Appeals	Communication and Response
Customers	Product quality and cost performance Customer service quality Customer information security Customer rights protection	Real estate development for people's livelihood All-round caring services Network security and well-defined authority Compliance Marketing
Suppliers and partners	Integrity cooperation Experience sharing Win-win cooperation Business ethics and credit standing	Establishes supply chain responsibility Promotes daily communication Carries out project cooperation Performance of obligations under any contract in accordance with laws
Community and the public	Care for the poor Support social welfare Protect the nature Promote social progress	Participates in targeted poverty alleviation Participates in charity works Adheres to green operations Sharing development achievements

V. MATERIALITY ASSESSMENT OF ESG ISSUES IN 2018

The Group carried out surveys on stakeholders in the form of online questionnaires and face-to face interviews, so as to evaluate objectively the materiality of ESG issues to the Group's business development and the level of concerns they gained from the stakeholders, rank them by materiality and develop materiality matrix, define the disclosure focal points of this Report, and actively respond to the expectations and appeals of all stakeholders.

Evaluation procedures for the materiality of ESG issues of the current year:

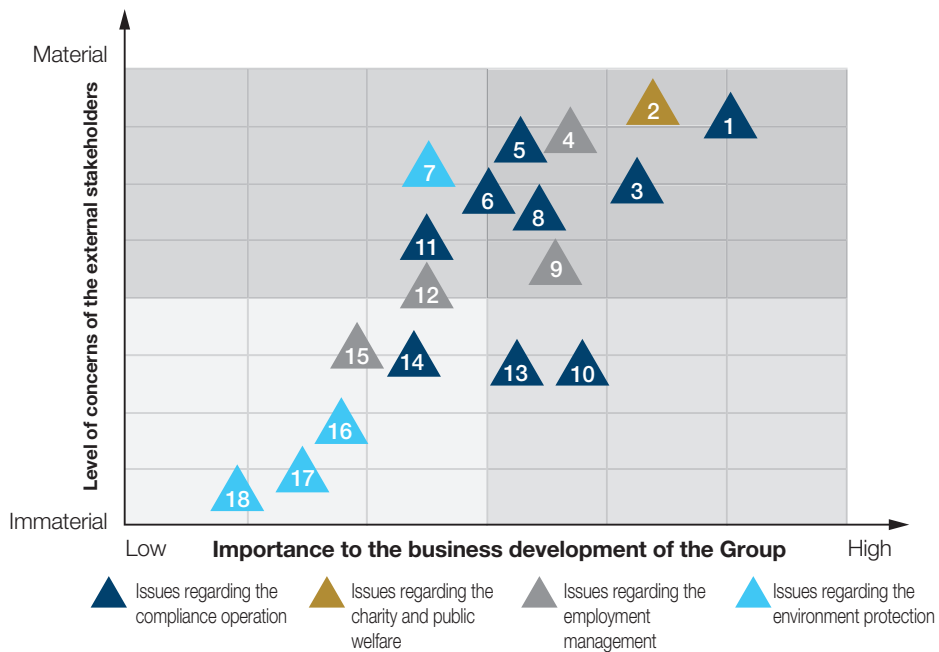
ESG Issue Identification	<ul style="list-style-type: none"> Take into comprehensive account the requirements of the ESG Reporting Guide and ESG management focuses of the industry based on the existing businesses of the Group, and select applicable topics from the four categories of environmental protection, compliance operation, employment management and charity and public welfare.
Survey on Stakeholders	<ul style="list-style-type: none"> Invite internal and external stakeholders to rate the materiality of the selected applicable issues and collect their opinions on and expectations for ESG management of the Group; Determine the materiality order and matrix of ESG issues with the weighted summation scoring method.
Disclosure and Response	<ul style="list-style-type: none"> Determine the disclosure focal points of this Report based on the survey results; analyze and discuss the key concerns of stakeholders to determine the ESG governance plan for the next year.

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Materiality ranking and matrix of the Group's ESG issues in 2018 are as follows:

Materiality Ranking of the Group's ESG Issues in 2018

ESG Issues	Ranking	ESG Issues	Ranking
Quality Management of Products & Services	1	Reasonable Marketing & Promotion	10
Participation in Social Welfare Business	2	Customer Information & Privacy Protection	11
Operational Performance & Investor Equity	3	Employee Recruitment & Team Building	12
Employee Training & Education	4	Protection of Intellectual Property Rights	13
Anti-corruption Management Mechanism	5	Supply Chain Management & Sustainable Development	14
Compliance Management & Anti-illegitimate Competition	6	Forbid Child Labor & Forced Labor	15
Application & Promotion of Green Buildings	7	Energy Consumption & Energy-saving Measures	16
Customer Satisfaction & Complaint Handling	8	Water Resource Utilization & Sewage Treatment	17
Work Safety & Occupational Health	9	Carbon Emission Control	18



Materiality Matrix for the Group's ESG Issues in 2018

The overall evaluation results for 2018 shows that, the Group's performances on compliance operation and social contribution are the main concerns of the stakeholders, which contains quality management of products and services, participation in social welfare business, operational performance and investor equity. Evaluation results of 2018 are basically same as those of 2017. The Group will disclose the above ESG issues in detail in subsequent sections of this Report in response to the concerns of the stakeholders. Meanwhile, the Group will take the evaluation results as an important basis for its environmental, social and governance planning in 2019, continues to improve its relevant management system and structure, enhance its performance, and share with all stakeholders the economic, social and environmental values it creates.

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VI. CREATING VALUE FOR CUSTOMERS

Adhering to the philosophy of “Caring for People’s Livelihood”, the Group commits itself to creating high-quality life experiences for customers with cost-effective products and first-class services, and helping them realize their livable dreams.

1. Project quality management

(1) *Project quality management*

Strictly abiding by the Construction Law of the People’s Republic of China and other laws and regulations, the Group carries out construction engineering investigation, design and construction conforming to relevant national standards on construction quality and safety, so as to guarantee the quality and safety of its construction projects and prevent the legal rights of customers and the social public as well as the Group’s image and reputation from being damaged by poor construction quality and safety. To ensure the compliance with the latest requirements of national quality control and safety standards for construction projects, the Group has developed the Catalogue of National Standards and Specifications for Engineering Construction, so as to sort out, update and implement relevant national standards and specifications for construction projects in a timely manner.

The Group implements a intensive collectivized management model, with which it controlled directly and its regional companies executed strictly its launched projects, planning and design, material supply, bidding and tendering, budget and final accounts, engineering management, quality management, sales and delivery, so as to promote the realization of the Dual-effect Integration of cost control and quality control. The Group also implements a five-level quality management from the headquarters to the project sites, and carries out national tour inspections on a regular basis. The Group Management and Supervision Center takes charge of supervising and evaluating the project quality, construction technology and progress and other core issues jointly with related functional centers, selecting excellent projects according to inspection results, and organizing regular trainings for the strengthening of communication and learning among projects, so as to overall improve the level of projects’ quality management. The Housing Industrialization Center of the Group takes charge of the research and development of new techniques and technologies, so as to achieve the continuous improvement of project quality.

To create high-quality and high-cost-effective products, the Group has developed over 6,000 “excellent project standards” for such as project planning and design, project construction, landscape fitting, decoration and materials and equipment, and formed a whole-process project quality control system on “design — material & equipment acceptance — construction — completion and delivery”, so as to meet the livable demand of customers.

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The Group's whole-process project quality control system is as follows:

Designing Stage



- Implementing Management rule for Designing and Monthly Reward and Assessment Method for Design Quality of Regional Companies
- Implementing the **three-level construction drawing quality management and control mode** of "Examined and Verified by Regional General Engineer's Office-Reviewed by Architectural Design Institute — Inspected by Designing Cost and Quality Control Center on a Sample Basis"
- Conducting project inspections, on-site visits, and assistance-training of the General Engineer's Office for regional companies, etc., the number of participants in **various activities reaches 200 person-time/per month**
- Conducting in-depth study according to the results of in-depth research throughout the country combining with local special requirements for designing and market demand, **a standard base covering 205 house types in 26 provinces has been formed**

Acceptance Inspection of Materials and Equipment



- Strictly implementing the Red Line Regulations on Supplier Management of Material Companies
- According to the contracts, regulations and the relevant agreements, the **on-site acceptance inspection and the spot check of supplier factories are conducted**. We select products from the supplier factories or the construction sites on a random basis and **send them to external inspection institutions for quality inspection**
- With respect to the key materials under management and control in accordance with the environmental requirements, the acceptance inspection departments **focus on reviewing and examining the inspection reports of product pollutants contents** to ensure the products' safety and environmental friendliness
- In 2018, a third-party testing was conducted on 92 material categories of more than 230 suppliers based on national and group standards. The **total number of tested materials was 18,409 batches**

Construction Stage



- Implementing **five-level management** on the construction process, namely the self-inspection (complete inspection) of the construction units, the daily supervision (complete inspection) of the supervision units, the daily management of the engineering department, the spot checks by the engineering technology department and the random inspection of monthly quality compliance rate score and quarterly quality compliance rate by the management and monitoring center
- **Implementing the model-first rule** to unify the operation procedures, construction practices and standards for acceptance inspection of quality, the construction can be carried out only after acceptance inspection of the model has passed
- The declaration, acceptance inspection, storage and use of materials and equipment during the construction process shall be managed by a specially-assigned person, and only **after the physical acceptance inspection is qualified and the Material Use Permit is signed can the materials be used**

Completion and Delivery Stage



- Within three months after the completion of the construction projects, the competent leaders or the general manager of the relevant projects should complete the completion and acceptance inspection jointly with the department heads of the engineering department and property management companies and the relevant personnel according to the standards for completion and acceptance inspection
- Before delivering the property, **implementing departmental-joint acceptance inspection of the houses and customer pre-receiving of the buildings** to mitigate the risk of customer complaint arising from product quality after delivering the project

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(2) *Safety Management of Project*

The Group strictly abides by laws and regulations such as the Production Safety Law of the People's Republic of China, the Ordinances for Reporting and Investigation of Production Safety Accident and Provisional Regulations on the Investigation and Treatment of Hidden Dangers of Production Safety Accident, and actively takes various measures to prevent production safety accidents and ensure the fulfillment of project safety related responsibilities.

The Group has formulated and implemented the Safe and Civilized Construction Standards in accordance with the safety principle of "safety first, prevention-oriented and comprehensive management" in order to carry out effective management for the safe and civilized construction of the projects under construction with contractors and subcontractors. As the first responsible person, the manager of engineering department is fully responsible for the safe and civilized construction of the project. The project manager is responsible for inspecting on-site safety and civilization safeguard measures, examining and verifying the safety and civilization schemes, Fire-related Operation Permit and other measures of construction units, and supervising the implementation of safety disclosure and safety education by construction units.

The Group regularly inspects the safe and civilized construction of each project and carries out corresponding rewards and punishments. Before the 15th day of each month, the engineering technology department organizes the inspection of safe and civilized construction of each project, and reports the inspection records, rectification plans and disposals to the management and monitoring department for filing before the 20th day of the month. The management and monitoring department inspects major safety hazards on site before the 25th day of each month. For projects with poor safety and civilization management, weak rectification or major safety hazards, the Group deducts 20% to 30% of the approved comprehensive bonuses of the relevant responsible persons according to the circumstances. In the event of a big or major safety accident, the Group shall, as the case may be, punish the persons in charge such as the project manager, the manager of engineering department, the project leader in charge, and the Chairman of the regional company with salary reduction, demotion or dismissal.

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(3) *Building Project Brand*

In addition, the Group develops different project brands such as “Evergrande Royal Scenic Peninsula”, “Evergrande Splendor”, “Evergrande Palace” and “Evergrande Oasis” to meet the needs of buyers from different regions and different levels. Adhering to the concept of “building a house with ingenuity and quality”, the Group pays attention to the integration of designing and developing of project with the local ecological environment, pays attention to the needs of the owners with regard to food, clothing, housing and transportation, and improves the surrounding supporting facilities. The Group is committed to reflecting the quality of the project and caring for customers from details, and providing customers with livable and suitable production and living space.

Evergrande Royal Scenic Peninsula in Henan Pingdingshan

The project is designed with the concept of “one city, one lake and one center” and integrates the local ecological landscape, such as the open-lake scenery of Baigui Lake to build an ecological and low-density lakeside city with five functional theme areas, including the noble lakeside residential area, lakeside style commercial street for business and leisure, urban celebration square of public culture, water theme park for entertainment and leisure, lakeside resort tourist center providing high-end services.



Evergrande Splendor in Hubei Ezhou

The project combines the local ecological landscape of Red Lotus Lake to create European-style gardens. The overall environment is beautiful, the greening rate exceeds 50%, the plot ratio is only 1.23, and it is fully equipped with hotel, business, sports, living, food and other facilities for life services.



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2. Comprehensively Improving the Quality of Property Service

The Group strictly abides by the relevant provisions of the Regulations on Property Management (revised 2018) issued by the State Council, and actively responds to the call of “the state encourages the industry of property management to rely on scientific and technological progress to improve management and service levels” to comprehensively improve the quality of property services and to effectively improve the living and working environment of the people. In April 2018, the Group formulated the Working Guidebook on Property Service Scenarios and conducted training throughout the country to ensure that front-line service personnel understand the service concept and learn the key points of service. At the same time, we focus on improving the quality of property services in terms of goal-setting, environment improving, safety management and intelligent community building.



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Awards and Prizes we won on Property Service in 2018:



In June 2018, at the “2018 China Top100 Property Management Companies Research Release and the 11th China Top100 Property Management Entrepreneurs Summit” hosted by China Index Academy and China Real Estate TOP10 Research Group, Evergrande Property (Jinbi Real Estate Co., Ltd.) won: “2018 China Top100 Property Management Companies”, “2018 China Top10 Property Management Companies in terms of business size”, “2018 China Leading Property Management Companies in terms of service quality”, “2018 China Leading Property Management Companies in terms of Characteristic Service — Community Value-added Enhancement”.



In October 2018, at the “4th China Property Management Innovation and Development Forum” hosted by China Property Management Association, Jinbi Real Estate Co., Ltd. participated in the evaluation for the first time and won the 6th place among the top 100 enterprises of the industry in terms of comprehensive strength.



In September 2018, in the “2018 China Real Estate Brand Value Research Release and the 15th China Real Estate Brand Development Summit” hosted by China Real Estate TOP Research Group, Evergrande Property (Jinbi Real Estate Co., Ltd.) won the “5th place for 2018 Leading Brand of China Property Service Specialized Operation”.

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3. Reasonable Promotion and Marketing

The Group strictly abides by the Advertisement Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and relevant industry norms. The Group also strictly controls the legality and authenticity of the contents of publicity materials in order to avoid excessive publicity and exaggeration of marketing, and effectively protect the legitimate rights and interests of customers.

The Group has formulated and strictly implemented the relevant internal policies and rules such as the Measures for Marketing Management of the Real Estate Group. All the marketing materials of the Group's real estate projects to be publicized shall be jointly reviewed and signed by the responsible persons of the marketing department and the general engineer's office of the regional company, and shall be used only after being reported to the marketing director of the regional company for reviewing and signing.

The Group pays attention to improving the compliance awareness of marketing personnel. We provide special courses on compliance of marketing for new employees, and regularly organize employees to participate in training on relevant topics to strengthen employees' learning and understanding of marketing laws and regulations as well as internal rules and regulations in order to ensure the compliance of marketing and promotion work.

4. Customer Satisfaction and Complaint Handling

The Group strictly abides by the provisions on the rights and interests of customers and the obligations of operators stated in the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. We promptly follow up and handle complaints and opinions of customers, effectively protect the legitimate rights and interests of customers, and continuously improve customer satisfaction.

In order to understand the needs of customers and safeguard the rights and interests of customers in time, the Group has incorporated the protection of rights and interests of the property owners into the scope of after-sales management. We have formulated and strictly implemented the After-sales Management Measures and other rules. The after-sales service center directly managed by the Group is responsible for the research of customer satisfaction, reception of customers' opinions and complaint handling.

The Group has set up 400 complaint hotline, WeChat platform, company official website, complaint mailbox and other channels to receive customers' opinions and suggestions. At the same time, each department also conducts return visits to customers from time to time based on actual conditions, including: in the sales stage, we learn customer satisfaction through random return visits, inspection of sales places, and on-site interviews; for the customers in the contracting subscription stage, we pay a return visit to the customers when various festivals are approaching in order to keep abreast of the customer's intentions; for the customers who have already accepted the property, we obtain the evaluation and suggestions of customers on property services through the return visits in the form of community property activities.

The Group conducts nationwide return visits of owners' satisfaction quarterly in the form of random calls to the property owners to understand the level of property services, living experience and opinions of the property owners of each region. We require regional property companies to respond to reasonable suggestions from the property owners in order to continuously improve the property owners' satisfaction. The Group ranks the property owner satisfaction scores of each project in each region of the country every quarter, and incorporates it into the important evaluation indicators of the property system to encourage regional property companies to actively improve the property owners' satisfaction. In 2018, the Group's return visits of the property owners' satisfaction covered 1,453 projects, totaling 291,585 property owners, and the annual average score of the property owners' satisfaction was 91.01 points.

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The Group classifies customer complaints into 1-3 levels based on the content of complaints, and follows up and handles customer complaints in the form of supervision orders. The Group issues the supervision order to the responsible person of the responsible department of the marketing company in different regions to request response and rectification, and stipulates assessment deadlines for rectifying, tracing the origin of events and checking the responsibility of specific regions; and the content and follow-up treatment of each customer complaint are linked to the performance appraisal of relevant personnel.

At the same time, in order to improve the service level of customer service personnel, the after-sales service center of the Group organizes the 400 team to share typical cases and receive training every month, and to announce and correct daily problems in real time. We irregularly organize the satisfaction survey team to summarize the work in the morning meeting, so that we can update and optimize the survey contents and judging standards according to business needs, and conduct unified training for the survey team. We also carry out expertise training such as analysis on residence decoration standards and cases of common mistakes, property early intervention and inspection training.

The customer complaint handling procedures of the Group are as follows.

After-sales Service Center of the Group	Responsible Department	Regional After-sales Service Department	After-sales Service Center of the Real Estate Group
<ul style="list-style-type: none"> ▶ Receiving the complaint from the customer and issuing the supervision order and the complaint dispatch 	<ul style="list-style-type: none"> ▶ Communicating the real demands of customer and negotiating the solutions of problems through telephone return visit or door-to-door return visit within 1 hour 	<ul style="list-style-type: none"> ▶ Making telephone return visit to learn the handling situation and customer satisfaction, evaluating the feedback results and closing the case 	<ul style="list-style-type: none"> ▶ Randomly inspecting 20% of closed complaints to learn whether the process and results are compliant, and to understand customer satisfaction with the complaint handling

In 2018, we interacted with the property owners through the 400 hotline as follows:

 Complaint receiving	 External call to communicate and negotiate solutions	 Return visits to the property owner after complaint handling
Times: 33,878 Average duration: 3.5 minutes per time	Times: 16,227 Average duration: 27.0 minutes per time	Times: 18,707 Average duration: 10.3 minutes per time

5. Customer Information and Privacy Protection

The Group strictly abides by the regulations on network operation security and network information security stated in the Cybersecurity Law of the People’s Republic of China. We adopt access control to the information system environment and on-duty mechanisms, regular inspections of hardware and software and disaster recovery management, database encryption, document encryption and strict user rights, data permission setting and management, application and front-end APP shelling, etc. to ensure the safe operation of information systems and prevent customer information from being disclosed or stolen or tampered with. In addition, the information center of the Group internally organizes employees to specifically study the content of the Cybersecurity Law in order to enhance employees’ awareness of network information security.





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The Group has formulated and implemented the Confidentiality System of Evergrande Group. We stipulate that the designated personnel are responsible for the transmission, printing and distribution of confidential documents and materials, and strictly control the release quantity and release scope of such confidential documents and materials. The Group strictly restricts the use of various information carriers with customer information, and conducts special training for employees who have access to customer information in order to enhance employees' awareness of information protection and avoid disclosure and abuse of customer information.

6. Protection of Intellectual Property

The Group strictly abides by such laws and regulations as Copyright Law, Trademark Law, Patent Law, Tort Law of the People's Republic of China and Anti-Unfair Competition Law of the People's Republic of China, and has formulated and implemented the Intellectual Property Management System of Evergrande Group and the internal operating guidelines for intellectual property work to strengthen the management and protection of intellectual property. The Legal Affairs Center of the Group is responsible for the declaration and information management of intellectual property. We have set up special positions for intellectual property administrators in units at all levels. Moreover, with the help of information management system of intellectual property, the Group improves the efficiency of intellectual property management and data security, and timely monitors competitors, industry and market development trends to avoid intellectual property related risks.

The Group attaches great importance to the participation of employees in the management and protection of intellectual property and actively carries out relevant training. In 2018, the Group conducted one special training on each of the 4 themes, namely trademark management, copyright management, patent management and brief introduction on intellectual property work, respectively, aiming to improve employees' knowledge of intellectual property and management skills. Participants and training duration are as follows:

 Training theme	 Target staff	 Number of participants	 Duration
Brief introduction on intellectual property work Copyright management Patent management	Internal staff of the Legal Affairs Center of the Group	8 persons/time	2 hours/time
Trademark management	Legal system leader of the Group and intellectual property administrators	55 persons	3 hours

Through continuous efforts and exploration, the Group currently has more than 3,000 valid trademark registrations, as well as a number of patents and software copyrights. We will continue to deepen the protection of intellectual property. The Group stipulates that once an alleged infringement is discovered, the regional company shall report to the Legal Affairs Center for follow-up treatment within 24 hours in order to actively protect the Group's intellectual property rights and protect the legitimate rights and interests of customers.

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Cases of anti-counterfeiting activities of the Group in 2018:

Anti-counterfeiting in Ulanqab City, Inner Mongolia Autonomous Region



In July 2018, a real estate project was found to usurp the name of “Evergrande Palace” and “Evergrande Real Estate”, infringing the trademark rights and interests of the Group in Ulanqab City. The Company has filed a lawsuit with the Intermediate People’s Court of Ulanqab City.

Anti-counterfeiting in Lishui City, Zhejiang Province



In June 2018, a real estate project was found to usurp the name of “Evergrande” in Lishui City. The Company has complained to Lishui Market Supervision and Administration and received the Decision on Administrative Penalty. Lishui Market Supervision and Administration determined that it constituted unfair competition, and ordered to stop infringement and imposed a penalty of RMB500,000.

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VII. CREATING VALUE FOR THE SOCIETY

Helping people in trouble and the poor has always been the traditional virtue of China; never forgetting the origin and returning to the society is the social responsibility that enterprises should assume. While developing in a steady and fast manner, the Group has been devoted to the cause of charity and public welfare in people’s livelihood, poverty alleviation, education, environment protection and sports as usual, and assumes its due share in practicing enterprises’ social responsibilities and promoting the harmony and progress of the society.

During the reporting period, the total cash donation of the Group amounted to RMB3,392 million. And the Group has received the following charity awards and honors:



A Case Recommended by People’s Daily for “Comprehensive Governance Model for Targeted Poverty Alleviation”

Chairman of the Group (Hui Ka Yan) was awarded the China Charity Award by Ministry of Civil Affairs

In 2018, we continue to devote human and material resources to targeted poverty alleviation, education and sports to create value for the society.

1. Assisting Targeted Poverty Alleviation

Under the support and encouragement of the CPPCC, the Group has been assisting Bijie City in partnership since December 2015, and donated RMB11.0 billion gratuitously. The Group selected and assigned 2,108 people as a resident poverty alleviation team in Wumeng Mountain Area, holds tightly onto the focal point of targeted poverty alleviation, being industrial, relocation and employment poverty alleviation, and strives to help 1.03 million of poor population in the city out of poverty by 2020. By the end of 2018, donation fund of RMB6.0 billion had been in place, and number of poor population out of poverty had initially reached 521.3 thousand; among them, Qianxi County had taken off the hat of poverty in September 2018, and Dafang County had reached the exit standard of national-level poor county, and was applying for the poverty alleviation inspection and acceptance to superior authorities pursuant to the procedures. In addition, the Group also donated RMB500 million on the “2018 Guangdong Poverty Alleviation Day” to help Lianping County and Heping County, Heyuan City, Guangdong Province.

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The vegetable greenhouse base contracted under the assistance of Evergrande in its partner assistance with Bijie City



Relocation community for immigrant constructed under the assistance of Evergrande in its partner assistance with Bijie City — Shexiang Old Town

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Evergrande helps the poor families to “obtain one employment opportunity, lifting a whole family out of poverty” in their partner assistance with Bijie City

2. Facilitating the Cause of Education

In 2018, the Group continues to expand the investment in the area of education, and is committed to help more people obtain better education resources, and facilitating the development of China’s education, the particulars of which are as follows:

- In January, the Group donated RMB20 million to Northwest A&F University Education Development Foundation;
- In April, the Group donated RMB170 million and RMB10.00 million to Henan Province Foundation for Poverty Alleviation and University of Chinese Academy of Sciences, respectively;
- In May, the Group donated to each of SYSU Education Development Foundation and Shaanxi Charity Association RMB100 million;
- In October, the Group donated RMB100 million to Wuhan University of Science and Technology;
- In December, the Group donated RMB650 million to Zhoukou City, Henan Province to help the development of the local education and medical care.

3. Supporting the Cause of Sports

In 2018, the Group continues to support the development of sports in China, and actively makes its contribution to sports such as the football clubs and snooker, the particulars of which are as follows:

- Guangzhou EvergrandeTaobao Football Club won the 2018 Super Cup consecutively;
- In 2018, Evergrande Football School obtained 19 champions in various competitions and 8 annual awards in National Teenagers’ Football Super League;
- The Group successfully held the international grade-A snooker competition — Evergrande 2018 World Snooker China Championship.

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VIII. ANTI-CORRUPTION AND BUSINESS OF INTEGRITY

Transparent cooperation, integrity and compliance operation is an important guarantee for sustainable development. The Group complies with relevant laws and regulations on anti-corruption and anti-money laundering, strengthens prevention in advance and supervision after the event, strictly prohibits corruption, fraud, bribery and money laundering of the Group's employees, and earnestly protects the interests of the Group and other stakeholders.

1. Anti-corruption and advocacy of integrity

The Group abides by the provisions of the Criminal Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, the Interim Provisions on Prohibiting Commercial Bribery and other laws and regulations on prohibiting commercial bribery, and is committed to maintaining fair competition order.

The Group sets up the rule of defense in advance, formulates and implements the Evergrande Real Estate Group Integrity Supervision Work Management Measures, Measures for the Administration of Cash Gift and Gifts, Notice on the Reaffirmation of the Group System Integrity Provisions and Penalties and other rules, and issues the "Five Regulation, Five Expulsion" ban, strengthening internal integrity and supervisory work. The Group Management and Supervision Center is responsible for the integrity supervision of the operation and management activities of each unit; and set inspection office according to the business distribution, guide each inspection office to carry out the supervision work in the region. Among them, the inspection office is directly under the management of the Group Management and Supervision Center, and the personnel are unified hired by the Group Management and Supervision Center. The Group Management and Supervision Center, together with the inspection office of the Group and the Office of Combating Bureaucracy and other relevant functional departments, will carry out the management and supervision of corruption-related violations, and regularly report to the Board of Directors of the Group the inspection of the staff's disciplinary style, business compliance operation, and the rectification of problems.

The Group sets up "notification letter of reporting channels" in OA office platform, office area, project construction site, project sales center, etc., sets up unified reporting phone, E-mail, instant messaging and other reporting channels, and accepts reports of internal and external personnel suspected of corruption and infringement of company interests. The management and supervision center manages the reports or clues received in accordance with the principle of dependency, and issues them to inspection office for preliminary investigation; the verified cases shall be dealt with seriously according to the specific circumstances. The Group requires a high degree of confidentiality regarding the identity of the informant and the matters reported, and strictly limits the scope of knowledge in the investigation. The Group shall file the documents and materials related to supervision according to year and the principle of one case per volume and one volume per number, and requires the archives management personnel and access personnel to properly keep the archives and materials, and abide by the confidentiality provisions. The Group stipulates that supervisory archives can be transferred, consulted, copied or copied to archivists only after the approval of the top management and supervision center.

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The Group has extremely high requirements for employees' integrity and honesty, and continuously carries out publicity and implementation of integrity education activities for employees. The Group Management and Supervision Center regularly carries out anti-corruption education for new employees recruited from society, college students recruited from schools and formal employees, and takes the anti-corruption campaign as the Group's regular campaign to strictly prevent the breeding of corruption.

Related cases on publicity and implementation of anti-corruption education of the Group



In September 2018, the management and supervision center produced an anti-corruption warning education film based on the real cases of internal staff corruption, and regularly organized the new staff from social recruitment to study and publicize the relevant rules and regulations of the Group on anti-corruption



In the Spark Training Camp from July to August 2018, nearly 5,000 newly enrolled college students participated in trainings on "Combating Corruption, Promoting Integrity". Relevant business leaders comprehensively analyzed specific corruption phenomena, sounding alarm bells for new colleagues



In June 2018, we organized the regular employees to learn and watch propaganda and education videos, and carried out regular training on fighting corruption and upholding integrity, so as to educate the staff to be firm in their convictions

Meanwhile, the Group has produced the Evergrande Group White Paper for Anti-Corruption, and publicized it to strategic partners simultaneously, and required each unit to add the "integrity clause" in the bidding documents and contracts, in order to jointly build a transparent and healthy cooperative relationship.

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2. Anti-money laundering management

The Group strictly complies with the Anti-money Laundering Law of the People's Republic of China, Law of the People's Republic of China on the People's Bank of China and other relevant laws and regulations of requirement. In view of the examination and verification of the seal used in the commercial housing contract, by issuing and implementing the Notice on Strengthening the Security of the Seal Used in the Commercial Housing Sales Contract, the Group strengthens the verification of housing resources and customer information in the contract signing process, requires the parties to transfer funds through bank transfer, try to avoid cash payment, and respond to the requirements of national laws and regulations on anti-money laundering.

The Group formulates and implements the programmatic document Anti-Money Laundering Management Measures of Evergrande Life Insurance Company Limited for the life insurance sector, and formulates and implements corresponding management measures or working rules for specific matters such as customer identification and suspicious transaction reports, including:

Anti-Money Laundering Management Measures

- | | |
|--|---|
| ▶ Measures for the management of customer identification and the storage of customer identification data and transaction records | ▶ Administrative measures on inspection assistance of anti-money laundering |
| ▶ Measures for risk assessment and customer classification management of money laundering and terrorist financing | ▶ Administrative measures for anti-money laundering propaganda and training |
| ▶ Measures for the administration of reporting large transactions and suspicious transactions | ▶ Emergency measures for handling major money laundering emergencies |
| ▶ Measures for the administration of asset freezing involving terrorist activities | ▶ Implementation rules for anti-money laundering of branches |
| ▶ Measures for the management of money laundering risk assessment | ▶ Internal inspection procedures for anti-money laundering work |
| ▶ Measures for the management of anti-money laundering evaluation and accountability | ▶ Management rules on verification and reporting of anti-money laundering suspicious transactions and blacklist |
| ▶ Anti-money laundering confidentiality management measures | ▶ Measures for the administration of anti-money laundering auditing |

At the same time, Evergrande Life Insurance develops anti-money laundering training plan at the beginning of each year according to administrative measures for anti-money laundering propaganda and training, and carries out new staff training, all-staff training, executive training, anti-money laundering post training and other multi-level propaganda and training activities to promote and enhance the anti-money laundering awareness of employees.

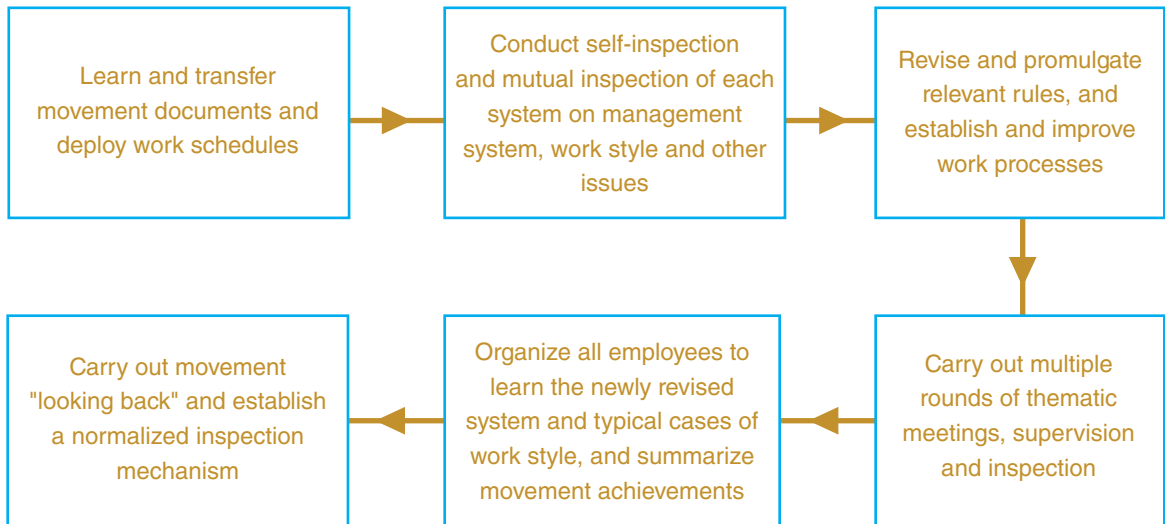
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3. Fight bureaucracy

In view of the bureaucratic phenomenon that hinders the sustainable development of the Group, the Group strictly implements 36 Codes for Evergrande Group’s Cadres, Evergrande Group Work Style Inspection Implementation Method, Eight Prohibitions on Inspection Discipline of Evergrande Group and other internal policies, and set up Evergrande Office of Combating Bureaucracy, responsible for group work style development of the system. In 2018, in order to realize the eighth three-year plan strategy of “deepening transformation, improving quality and increasing efficiency”, we carried out the campaign of “fighting bureaucracy, fighting formalism, rectifying style and strengthening responsibility” (“211 movement”) within the group system, providing a long-term driving force for the rapid development and smooth transformation of the Group.

Brief introduction of “211 movement”

The Group established a leading group of “211 movement”, in which Chairman Hui Ka Yan and President Xia Haijun of the Board of Directors were the group leader and deputy group leader, respectively, and other senior leaders of the Group were deputy group leaders or group members to coordinate and arrange the whole movement. The whole movement was carried out in six stages from early-to-mid June to mid-to-late December:



The achievements of “211 movement” made by the Group in 2018 are as follows:

System Improvement	Process optimization	Efficiency enhancement
<p>800 New systems were promulgated (including work guidelines)</p>	<p>960 Examination & approval procedures were reduced</p>	<p>921 Meetings were reduced</p>
<p>4,866 System articles were revised</p>	<p>5,728.5 Examination & approval hours were shortened</p>	<p>294 Redundant meeting links were reduced</p>
<p>657 Other innovative initiatives were formulated</p>	<p>600 Forms were streamlined</p>	<p>1,536.6 Meeting durations were shortened</p>

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IX. CREATING VALUE FOR EMPLOYEES

Talent is the foundation of sustainable development of enterprises. The Group strictly abides by the provisions of related labor laws and regulations, introduces talents through multiple channels, constantly improves employee training system and promotion mechanism, guarantees the legitimate rights and interests of employees and meets the development needs of employees, and makes every effort to achieve the win-win development of employees and the Group.

1. Employment management

The Group abides by the provisions of The Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China and other laws and regulations on promoting employment, labor contract management and other aspects, signs written labor contracts with employees and strictly fulfills contract's terms to safeguard employees' legitimate rights and interests, such as equal employment.

The Group conscientiously implements the internal relevant rules related to recruitment and introduction of employees, adheres to "people-oriented" employment concept, takes the open recruitment, comprehensive examination and admitting the best candidates as principles and conducts the overall examination from knowledge, moral character, ability, experience and other aspects to ensure the openness and fairness of recruitment process so as to attract suitable high-quality talents. Meanwhile, the Group formulates Labor Contract Management System of China Evergrande Group and strictly carries out labor contract management in order to maintain a good employment relationship; the Group also formulates and implements Employee Demission Management System of China Evergrande Group to standardize the related work of employment demission management.

In order to meet the rapid development of the Group's need for human resources and further improve team quality, the Group organized and took stock of human resources at the beginning of 2018 and redefined the staffing of each center, clarified job responsibilities and attracted high-quality talents through social recruitment, campus recruitment, internal recommendation and other ways. At the same time, the Group encourages the reasonable and scientific internal flow of employees so as to effectively support the talent demand of the Group for business development in various industries and provide broad development space for employees.

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Social recruitment



Grassroots positions

obtained from the Company's official website and talent recruitment website channels



Professional talents

obtained from offline PRO and professional subdivided websites



Rare talents of the industry and senior management

obtained from targeted hunt and recruitment

Campus recruitment

"Star Program" is the key point of Evergrande's annual recruitment work, through which the group has recruited a large number of outstanding reserve cadres and effectively met the growing demand for talents.



Campus recruitment for Peking University graduates



Campus recruitment for Tsinghua University graduates

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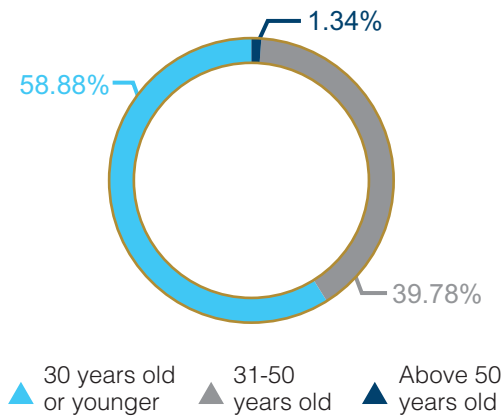
As of 31 December 2018, the Group has 131,694 employees; In terms of staff composition, the proportion of male and female employees is basically consistent with that in 2017, particulars of which are as shown below.



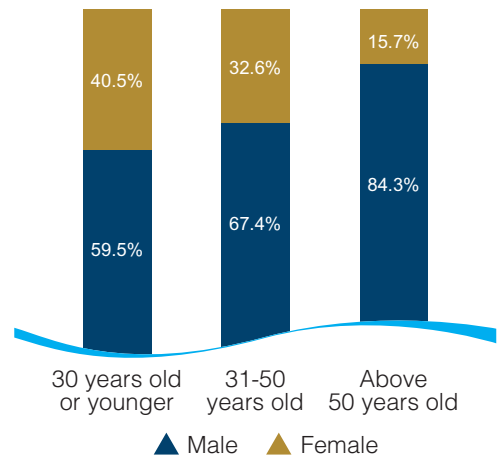
Statistics by employment types



Statistics by gender



Statistics by age



Statistics by age and gender

Note: The senior management includes the employees above the vice president level of the Group. The middle management includes the employees within the position rank from the level of assistant of the president of the Group to the manager assistant level of the subordinate departments of Group center.

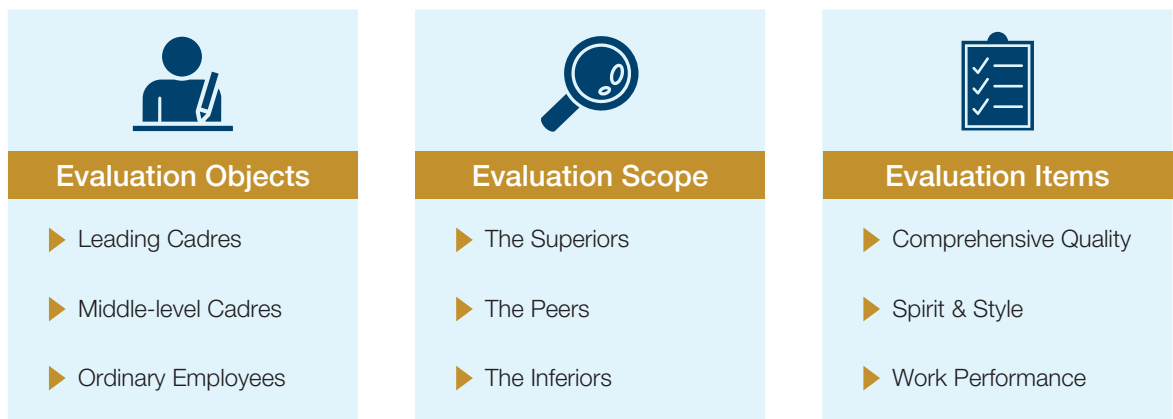
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2. Performance appraisal and promotion mechanism

To achieve the group development strategy and stimulate the employees' enthusiasm, the Group formulates and carries out some regulations, such as Leading Cadre Selection and Appointment Management rule of Evergrande Group, which can provide a institutional guarantee for employees to acquire the opportunity of equal promotion.

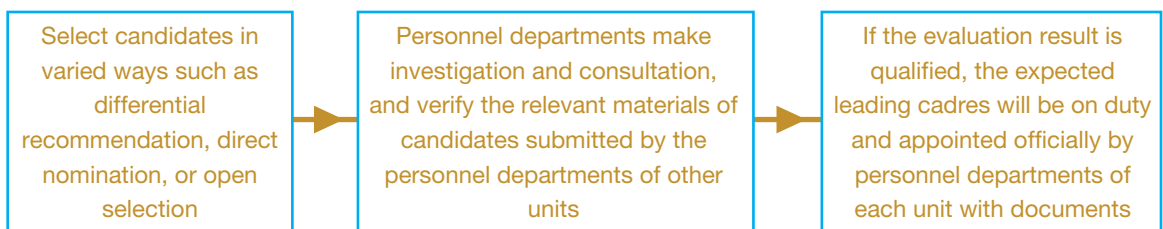
The Group constitutes the comprehensive evaluation management rule for personnel based on 360-Degree Appraisal Method, and carries out the 360-Degree Appraisal of employees quarterly. The comprehensive evaluation is strictly confidential which is operated by internal system, makes the rigorous "back to back" assessment, and guarantees the objectivity and facticity of evaluation results which will be involved in personal performance appraisal archives of employees for the reference of personnel decisions, such as personnel change and wage adjustment, etc.

The comprehensive evaluation management system for personnel with 360-Degree Appraisal Method



The Group values the employees' requirements in career development, has established the promotion mechanism of employees which is transparent and perfect relatively, and provides them with promotion channels for their growth. The headquarter of the Group makes the periodical assessment on employees in terms of qualifications, performance, and comprehensive qualities annually. For the regional and affiliated companies, it makes irregular evaluation on qualifications, performance, and comprehensive qualities according to their business requirement. The evaluation result will be the gauge of promotion.

The Procedures of employee Promotion Evaluation



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3. The staff wages and welfares

The Group strictly respects the Labor Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, and Minimum Wage Regulations of the Ministry of Labor and Social Security of the People's Republic of China, and other national and local laws and regulations. The Group genuinely assures employees' legitimate rights of taking vacation, obtaining remuneration, enjoying the social insurance and welfares, and specially protecting the female employees and juvenile employees, etc.

The Group formulates and carries out the Regulations on Payroll Computing Management of Evergrande Group, Regulations on Social Insurance and Housing Fund Management of Evergrande Group, etc. The regulations guarantee the normalization in setting and distributing the employees' salaries and welfares, which consist of wages, bonus, living allowance, mandated benefits and other welfares of enterprises. The Group purchases the social insurance and housing provident fund stipulated by nation for employees according to the laws and regulations, and also purchases the employer liability insurance for "retired and rehired" employees and trainees, which can protect the legitimate rights of employees. In 2018, after the office address in Guangzhou was transferred to Shenzhen, the Group provided the living allowance for relevant employees, for alleviating the decreasing living quality caused by the shifting of office address.

Additionally, the Group also provides the annual physical examination, holiday gifts, tickets of the Chinese Football Association Super League and AFC Champions League, great discount in house purchasing for employees. Besides, the apartment for employees free of charge, the commuter cars, the staff canteen or the allowance in dining are included. The Group also provides the facilities like library and clubs, and the resting and lactating zone for female employees. Through these various activities and benefits' the Group enhances the cohesion force and the sense of belonging of employees, and represents the employment concept of people orientation and caring staff.

4. The employee training

The Group abides by the Labor Law of the People's Republic of China and other regulations on the rights of having vocational skills training enjoyed by the labors, formulates and carries out the Group Training Management Rule, the Group's Three-year Training Plan for College Students Enrolled, establishes the tutorial system and the internal trainer system, fulfills "star program" and other key training projects, and provides the employees with favorable platform of studying.

The Group establishes the tutorial system, pushes forward the mechanism of "teach, help and lead", and supplies professional instructors to the college students in first-year working condition for work guidance. Through the mechanism of "instructors distribute the assignments to the college students who is new recruit monthly — the heads of departments make assessments on the college students' end-of-month work summaries — two-way evaluation between the instructors and college students", the Group comprehends the students' working condition promptly, and helps them in changing roles and integrating into culture.

The Group focuses on the passing down of internal experience and knowledge, and creates internal trainers team actively. The Group encourages each unit to develop internal trainers voluntarily, and select and report the elites to the headquarters. The staff who meets the declaration requirements and enrolls voluntarily could be employed as internal trainer. As the competent authority of training and management, the human resource center of the Group conducts a centralized assessment on the trainers and make annual-rating according to the authentication amount, teaching hours, and the score of assessment.

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Meanwhile, in 2018, the Group pushed forward and carried out some key projects such as “introduction training for fresh employees”, “open class training”, “star program” and “1,000 talents program” to make employees of different classes and in different areas obtain corresponding opportunities for training or learning so as to improve the skills and overall quality of team and lay a stable foundation for the rapid development of the Group. The particulars are as follows:

Introduction training for fresh employees	19,755 participants	120 hours in total	Organize 5 sessions of introduction training in January, April, June, September and November, respectively, for new social recruits. The training content mainly includes corporate culture, general quality and the extended activities of team
Open class training of the Group	24,902 participants	11 lessons, 1.5-2.0 hours for each lesson	Carry out “Group’s open course — the whole process of real estate” series courses and the systematic personnel training for promoting the professional level of employees in real estate industry overall
“1,000 Talents Program” training camp for leading cadres	184 participants	48 hours in total	Based on the requirements of strategic development, the HR center of the Group plans overall and carries out 2 sessions of special activities in leading cadres training
Star Program — Spark Training Camp	All newly recruited college students	4 batches	During July and August, carry out the training in 4 batches The content of training includes integrating into culture, team building and so on. The training had an excellent effect
Star Program — Growth Acceleration Camp	9,738 participants	Total Period: 20.5 hours	In 2018, a total of 14 serial intensive vocational training courses were conducted for college students working in the past two years, and good feedback was obtained

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Case: 2018 "Group's open course - the whole process of real estate" serial courses



The training content of this serial courses in 2018 was based on how every part runs in real estate construction and development, which integrated real cases and introduced the job responsibility, business process as well as core value of the main business departments of real estate, enhanced the professionalism of employees and received warm welcome and widespread praise from employees.

Case: 2018 Star Program- Spark Training Camp



From July to August, four training sessions were conducted for all newly recruited graduates. The content includes both cultural integrated courses such as employee behavior norms and self-cultivation standards, talents training and development and industry insight courses such as engineering construction and marketing management, aiming at helping graduates adapt to corporate culture quickly.



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In 2018, a total of 103,861 training sessions were conducted, total training hours reached 225,180, and the number of training participants reached 1,530,533. The specific data are as follows:

Employee Training by employee types

Employee Types	Training Participants (person-time)	Training Sessions (times)	Total Training Hours (hours)	Average Training Hours (person/hour)
Senior Management	1,989	223	728	7.4
Middle management	85,606	14,587	35,740	4.3
Ordinary employees	1,442,938	89,051	188,712	1.5

Note: Average Training Hours = Total Training Hours/the amount of staffs.

5. Health and safety of employees

The Group pays great attention to the occupational safety and health of employees, and continuously improves the construction of rules relating to occupational health and safety as well as daily management in accordance with laws and relevant regulations so as to create a safe, healthy and comfortable working environment for employees.

(1) Safety guarantee during construction

The Group strictly abides by the Safe Production Law of the People's Republic of China, The Law of the People's Republic of China on Response to Emergencies, Regulation on Work-Related Injury Insurances of the People's Republic of China, Fire Prevention Law of the People's Republic of China, Technical Code for Fire Safety of Construction Site, and other laws and regulations, and actively takes various measures to ensure the safety of production. At the same time, according to the relevant provisions of the Labor Contract Law, the Group also adds occupational hazard description clauses for employees who work at the construction site when signing labor contracts.

The Group strictly obeys internal documents such as the Safe and Civilized Construction Standards, requiring:

- Guardrails shall be put in potential safety risk locations such as foundation pits, openings, adjacent edges and material stacking areas, as well as warning signs;
- The installation of mechanical equipment such as external scaffolding, lifting equipment and builder's hoist shall be carried out by the qualified operator. After installation of crane and other lifting equipment, the construction unit should organize the lessor, installation and supervision units to accept and check the project jointly. The equipment can only be used if it has passed the supervision and test by the qualified inspection and testing institution;
- Response plan to emergencies shall be prepared and demonstrated at the construction site entrance;
- Construction personnel can only start their work after receiving technical and safety explanation and being qualified after the safety education and training.

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Meanwhile, the Group allocates corresponding number of fire fighting devices according to the scale of the project and the number of personnel, sets up fire exits, forms the firefighting emergency team, and regularly carries out fire drills, to enhance the escape skills and collaborative rescue ability of on-site construction personnel. In each quarter, regional companies carry out special inspection of the staff dormitories to check the potential safety hazards and ensure the life security of staff.

The Group attaches importance to the enhancement of staffs' knowledge of safe production and their awareness of safe construction. Before an employee got on board, technology department of regional companies of the Group carries out special training on safe production. Then, special training on safe production and targeted exams was regularly organized on a quarterly basis. Through establishing room for safety education and organizing safety knowledge report and competition, the Group organizes safety production publicity and education in the form of images, photos of accidents or videos.



Exit passageway



Fire fighting facilities



On-site publicity on safety and civilization

(2) Care for physical and psychological health

To ensure the physical and psychological health of employees, the Group regularly organizes physical examination for employees every year to remind employees to pay attention to their health. In 2018, we applied for the Ping An Good Doctor 360 health management cards for 26,136 employees of the Group to provide employees with platform type integrated health management services, which won unanimous praise from employees.

To comprehensively take care of the physical and mental health of employees, the labor union of the Group set up 8 associations respectively for football, volleyball, basketball, badminton, swimming, running and music, creates a series of brand themed activities such as "Voice of Evergrande", "Evergrande Running Camp", "Love in Evergrande", "Sports meet for 10 thousand people", and regularly holds activities such as lectures and salons of employees, lantern riddles guessing activity for the Lantern Festival, birthday party for employees, to encourage employees to enhance physical exercise after work, prevent potential body injury caused by long-term ambush in work, enrich their after-hours cultural life and mitigate their pressure.

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Case: First football league of the labor union of the Group

On 10 November, the first football league of the labor union of the Group was unveiled at Shekou Sports Center. The Real Estate segment, Tourism segment, Health segment and Hi-tech segment under the Group respectively formed a team to take part in the competition. The football league is a good competition and communication platform for football lovers of Evergrande. It can further exercise and enhance the teamwork of employees and show the Evergrande business spirits of “enterprising with utmost fortitude, selfless dedication, hardworking and pioneering”.



6. Employees' rights and interests and equal participation

The Group strictly complies with the provisions of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, Provisions on the Prohibition of Using Child Labor which specified that workers enjoy equal employment and free choice of occupation. Sticking to the principle of fairness, equality and justice, the Group formulates and implements internal policies related to recruitment, salary, welfare, training and labor security, to forbid employee discrimination in all forms.

The Group formulates and implements the Policy of Evergrande for Recruitment and On-boarding, and Policy of Evergrande Group on Labor Discipline, to specify the lower age limit for employees, and forbid the employment of child labor and forced labor. The Human Resource Department of the Group strictly controls the recruitment procedures and strictly reviews the materials provided by employees when they get on board. Moreover, the Group regularly organizes relevant training to explain the legal risks of employing child laborers and forced laborers. In 2018, the Group had no circumstance of employing child laborers or forced laborers.

Meanwhile, the Group establishes a mechanism for employees' appeals and complaints, to ensure that their opinions can be smoothly returned to the Human Resource Department or Supervision Department, and protect the legal rights and interests of employees.

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X. CREATING VALUE FOR SUPPLIERS

Sincere cooperation with suppliers is the basic guarantee for the Group to realize the strategy of quality product. Pursuant to the Law of the People’s Republic of China on Tenders and Bids, the Government Procurement Law of the People’s Republic of China, holding onto the concept of “transparent cooperation”, the Group implements the standardized operation management mode of unified bidding, procurement and delivery, pays attention to suppliers’ performance of responsibilities for the environment and society, attaches importance to the communication and exchange with suppliers, and tries to jointly promote the healthy and stable development of the real estate industry with the partners.

As of 31 December 2018, the total number of suppliers of the Group reached 6,463, which are distributed in 17 provinces or municipalities nationwide. The regional distribution of suppliers is as below:



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1. Development and admittance of suppliers

The Group formulates and implements the Policy for the Management of Tenders and Bids, implemented strict selection criteria and standardized review procedures, and strictly implemented quality assessment and on-site inspection for the shortlisting of bids, to ensure product quality from the source of procurement and ensure the fairness and impartiality of supplier selection.

The cultivation period for new suppliers is 1-2 years. When they are cultivated to be mature and included in the mature supplier management, the Group will allocate them normal supply areas and shares of supplies, to monitor and ensure the stability of the new suppliers' service level.

Meanwhile, the Group implements the supplier management mode of "entering database first and bidding later", to conduct dynamic maintenance of the resource library related to suppliers. According to the results of inspection, the Group classifies the suppliers into qualified suppliers, unqualified suppliers, suppliers prohibited from cooperation in the database, and implements management by levels, to constantly accumulate excellent supplier resources for the enterprise.

2. Supplier assessment and responsibility communication

To ensure the quality of suppliers' products and services, at the end of each quarter, the Group would organize relevant functional departments to conduct comprehensive assessment on major construction companies, elevator suppliers, air conditioner suppliers, major material suppliers in respect of quality, services, time of delivery, etc. The Group conducts appraisal and ranking for suppliers of different types according to different appraisal standards, whose results will be the important basis of bidding; the Group also sets a control red line of "one-vote veto for product quality", to urge suppliers to constantly enhance product quality.

For construction companies, the Group formulates and implements the Implementing Rules for the Assessment of Construction Companies, to assess them from project quality, project progress, comprehensive strength and contract performance, on-site management ability and cooperation, safe and civilized construction, major demerit matters, etc. At the beginning of each year, the Group would carry out strategic cooperation rating of construction companies, to upgrade companies which are with good performance and satisfying the standard of upgrading, degrade companies which are with poor performance and not satisfying the standard of the grade, and kick out companies with extremely poor performance.

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The Group pays great attention to the communication and exchange with suppliers. Through visits, meetings, and rewards to excellent suppliers, the Group timely figures out the appeals and expectations of suppliers; the Group talks with suppliers with poor performance and guides them to analyze reasons and implement remediation, so as to enhance the level of supplier management.

Case: Summit for Strategic Partners of Evergrande Real Estate Group in Respect of Materials and Equipment



In January 2018, the Group convened the 2018 Summit for Strategic Partners of Evergrande Real Estate Group in Respect of Materials and Equipment themed “One heart shared for ten years and new chapter to be created”. 176 domestic excellent enterprises were invited to participate in the meeting. During the summit, the Group and its strategic partners shared the progress of the material company for ten years, shared their mutual pursuit of high-quality life space and excellent suppliers of 2017 were rewarded. This summit effectively promoted the good communication between the Group and the partners and attracted high attention from insiders of the industry.

3. Supply chain responsibility management

The Group pays high attention to the labor management of construction companies, requires construction companies to make all effort to protect the occupational safety, salary and welfare and other legal rights and interests of migrant workers. The Group formulates and implements the Management Measures for Protection of Rights of Migrant Workers and other policies, requiring the signing of labor agreement and retreat agreement with migrant workers, and encouraging construction companies to set an office to maintain the stability of migrant workers’ rights and interests in the construction area, implement real-name management of migrant workers, establish blacklist of managers of construction companies, establish the policy of salary paying through the bank, carry out law publicity and education, so as to constantly enhance the standardization of labor use. The Group’s Migrant Worker Rights Protection Center is responsible for standardizing projects’ labor outsourcing and handling labor disputes, etc. Meanwhile, we post the 24-hour hotline, complaint mailbox and WeChat Official Account in the construction sites to timely accept and solve migrant workers’ complaints in order to protect their legal rights and interests.

The Group strictly complies with the provisions of the Law of the People’s Republic of China on Tenders and Bids, the Government Procurement Law of the People’s Republic of China and other laws and regulations related to requirements for the fairness and equality of bidding and purchase activities, and specially formulates the Management Red Line for Material Suppliers, Management Measures of Evergrande Real Estate Group for the Supervision of Clean Governance and other internal policies, to prohibit suppliers from having private interest relationship with employees of the Group and ensure the justice and equity and win-win result of cooperation with suppliers. The Group specifies that, once any supplier violates the red line, there will be no cooperation in the future; the Group also requires all units to attach the “anti-corruption clause” to the bidding documents and contracts, to expand the coverage of the internal anti-corruption policy to suppliers and require suppliers to perform corresponding social responsibilities for anti-corruption.

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XI. CREATING VALUE FOR THE ENVIRONMENT

The Group complies with the provisions of national laws and regulations related to environmental protection, emphasizes the practice of the environmental protection concept in building design and operation, project construction, office work of the Group, actively participates in green development activities of the industry, and tries hard to reduce the influence of cooperate operation to the environment.

The influence of the Group's business activities to the environment mainly involves: the consumption of electricity, oil and other energy in the office work, building construction and building operation, the emissions and greenhouse gas generated therefrom and the consumption of water resource and office supplies. The Group actively implements the concept of going green and environmental protection, enhances economical utilization of energy and resources and improves the management of discharges in business activities. Concrete measures are as below. Water used by the Group's business activities mainly comes from tap water in municipal pipe network; the Group mainly enhances the efficiency of water use and reduces the consumption of water resources by business activities through the application of water-saving equipment and facilities, rainwater recycling technologies, reclaimed water recycling technologies and sponge city technologies and the publicity of the water-saving concept.

1. Green operation and green office work

For property management and hotel operation, the Group optimizes the management of discharged substance according to the requirements of relevant laws and regulations, formulates and implements Policy for Green Property Management, actively carries out energy conservation and environment protection transformation for relevant equipment and facilities, and largely promotes smart and information-based management. Meanwhile, the Group actively responses to the government's call on sorted collection of waste, gradually implements sorted collection of waste in property management projects, and explores ways for recycled use of waste, in order to reduce energy and resource consumption in operation and land pollution caused by landfill.

The Group constantly promotes paperless office work, actively implements measures for saving energy and resource, promotes professional recycling and treatment of waste to reduce the influence of waste to the environment:



Paper Saving

- ▶ Replace offline approval procedures with informatization platform
- ▶ Require double-sided printing



Electricity Saving

- ▶ Control lighting switches by area
- ▶ Preferably choose energy-saving electrical appliances and electronic products
- ▶ Post up energy-saving bulletins or tips



Water Saving

- ▶ Install induction faucets
- ▶ Put up posters on water saving and environmental protection






Waste Management

- ▶ Collect and classify waste electrical appliances, electronic equipment and ink cartridges to be delivered to qualified professional institutions for recycling
- ▶ Deliver the office waste collected to sanitation stations for centralized handling

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2. Environment management for project construction

The Group strictly complies with the requirements of Rules on Environmental Protection of Project Construction and other laws and regulations and strictly implements the Group’s internal Criteria for Safe and Civilized Construction to enhance environment management of project construction. In each month, the Group carries out joint departmental inspection on concrete safe and civilized construction matters to ensure the legality and compliance of environment management matters in project construction. The Group mainly enhances the environment management of the construction site through dust control, noise reduction and waste management, which include:

 Dust Control	 Noise Reduction	 Waster Management
Hardening, greening and frequent watering are required at construction sites	Control large mechanical construction events to be performed during daytime	It is forbidden to burn waste materials and toxic, non-toxic and odorous substances at the construction sites
Equip the construction sites with sprinklers and assign special persons in charge of sprinkling water and lowering dust	Select low-noise equipment for construction	All garbage bagging and transportation shall be handled by the general contractor
Set up pools to cure lime or pile up sand and gravel to reduce dust pollution and dust source	Enclosed-space work is required for chainsaws, planers, air compressors, generators and other equipment installation	The car washing machine shall be designed with a three-level sedimentation tank, and direct discharge of waste water is strictly prohibited

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3. Promotion of green buildings

The Group actively responds to relevant requirements of the Implementation Opinions on Accelerating the Development of Green Building in China promulgated by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (2012), Action Plan for Green Buildings (2016), the 13th Five-year Plan for the Development of the Real Estate Industry (2017), largely promotes energy-conservation of building and the development of green buildings, tries hard to reduce the energy consumption of buildings and further enhances the quality of projects.

According to the demands of work related to green buildings, the Group formulates and implements the Policy for the Design of Green Buildings, Policy for Special Appraisal on Green Buildings, Policy for Green Property Management, to realize comprehensive guidance to the work related to green buildings from management design procedures to property management; the Group also formulates Measures for Industrialized Management of Buildings and other special management measures, to guide the industrialization of green buildings and other special design. Meanwhile, we has formulated a series of technical standards and guidance:

Technical standard	Technical guidance
<ul style="list-style-type: none"> ▶ Standard and Requirements of Evergrande Group for the Design of Green Residences (One & Two Star Level) ▶ Standard for the Design of Green Ecological Urban Area for large cultural tourism projects ▶ Standard for the Design of Green Buildings for exhibition centers and other public buildings and amusement facilities 	<ul style="list-style-type: none"> ▶ Guideline for Design of Sponge Cities ▶ Guideline for Design of Reclaimed Water System ▶ Guideline for Design of Fabricated Concrete Residences ▶ Guideline for Design of Solar PV Building Integrated System

The Group's Green Tourism Construction Center takes charge of the formulation of policies related to green buildings, certification of and application for identification of green building, green building appraisal and management, review and cost control of special technical scheme for green buildings, technical innovation and research and patent application for green buildings and relevant work. At the preliminary stage of project initiation, the Group's Green Tourism Construction Center will discuss with building design institutes, management and supervision center, property management company and other functional departments, to determine the suitable green design scheme and tries to promote the development of green buildings from water resources, renewable energy sources, intensive land-use, ecological environment, information based management and other aspects.

The Group actively executes the promotion and certification of green buildings. Currently all the residential projects of the Group are designed at least according to the one star level standard for green buildings. In 2018, 162 projects of the Group were certified as green buildings according to the Criteria for Appraisal of Green Buildings (GB50378-2014); 21 projects got two-star certification for green buildings and 1 project got three-star certification for green buildings. For the details of the list of green building projects, please see Appendix I.

The Group also actively carries out post-assessment on green buildings and green operation, and conducts post-assessment research on projects already gained green building identification, to provide data and technical support for the projects' green operation.

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Case: Ningbo Evergrande Landscape Phase I Project

Ningbo Evergrande Landscape Phase I Project gained the “Identification for Three-star Level Green Building Design” on 14 December 2015. Taking it as a pilot project, the Group plans to formulate policies related to energy saving, water saving, material saving, greening management and garbage classification in the subsequent operation management after buildings are delivered, to promote the project's application for the three-star level green building in operation phase after the 1-year operation of the project.

The Group largely develops Fairyland, Water World and other tourism projects, positions projects of the cultural tourism segment as green ecological urban areas, and carries out design of green ecological urban areas from “new energy utilization, water resource utilization, green buildings, ecological environment creation, green informatization and green promotion”. In April 2018, Guiyang Evergrande Cultural Tourism City gained the title of “Green Ecological Urban Area of Guizhou Province (Three-Star Level)” issued by Guizhou Provincial Department of Housing and Urban-Rural Construction.

Case: Guiyang Evergrande Fairyland

Floor area of the project: 7,708,600 m²

Project overview: According to the Standard for Assessment of Green Ecological Urban Areas in Guizhou Province, the project's planning and design has considered factors in respect of land use, ecological environment, green buildings, resources and carbon emission, green traffic, information-based management, industry and economy, humanism, and the project mainly focuses on the construction in reclaimed water treatment, prefabricated buildings, application of BIM technology and BRT channels.



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Meanwhile, we also actively promotes the application of green technologies in construction projects, to reduce the energy consumption and material consumption in the operation of buildings, and reduce the emission of greenhouse gases. The application of technologies includes but is not limited to:

(1) *Distributed solar power station, solar street lamp and other clean energy technologies*

Currently solar PV technologies have been applied in the Hainan Ocean Flower Island and other projects:

Distributed solar power station in the film and television base in Zone D of Hainan Ocean Flower Island

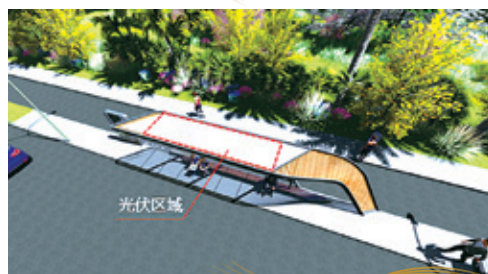


The total area of roof PV system is 58,000 m² and the annual electric energy production reaches 8 million kWh.

Solar power street lamp/bus station of Ocean Flower Island

The Group built solar power street lamps, solar PV power generation and fog forest cooling system combined environmental bus station in the Ocean Flower Island project. Patent has been applied for relevant technologies including:


1. Street lamps of Ocean Flower Island (patent number: 201830192503.2; 201830192613.9; 201830192612.4)
2. Solar PV power generation and fog forest cooling system combined environmental bus station (patent number: 201620424074.2)



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(2) Rainwater recycling, reclaimed water recycling, sponge city related technologies and other water-saving technologies

Currently, the Group has constructed rainwater collection and reuse system for the Evergrande Cultural Tourism City projects in Hainan Ocean Flower Island, Qidong, Suzhou and Meishan; has constructed reclaimed water recovery system for Evergrande Cultural Tourism City projects in Guiyang and Kaifeng, wherein, the reuse rate of reclaimed water in the Phase I project of Guiyang Evergrande Cultural Tourism City reached 30%; through the use of sponge city technologies, the controlled rate of annual runoff volume in Jurong Evergrande Cultural Tourism City, Guiyang Evergrande Tourism City, Xi'an Evergrande Cultural Tourism City respectively reached 85%, 80% and 80%.



Sponge city technologies:

Through the technologies, rainwater can be collected and stored through setting up rainwater gardens, sunk greenbelts and rainwater collection pools, which can purify and use the rainwater while relieving the pressure of water discharge and improve the ecological environment.

4. Promoting the green development of the industry

The Group pays attention to the green and low-carbon development of the entire real estate industry. From 2014, the Group has joined hands with Harvard University and Tsinghua University to establish the research base for green buildings, has actively carried out research on green residential buildings, promoted the transfer and application of innovative green building technologies, innovative products and innovative crafts in projects, to help the country develop green building. Meanwhile, in 2018, the Group actively participated in activities related to the green development of the industry, including:

01 As one of the preparation parties, the Group participated in the revision of the Criteria for Appraisal of Green Buildings (GB/T 50378-2019); referring to the practices of the Group in construction projects, the Group provides technical and data support to the preparation of national standards

02 The Group participated in the “Fourteenth International Conference on Green and Energy-Efficient Building & New Technologies and Products Expo” held in Zhuhai International Convention & Exhibition Center in April 2018, to discuss with experts and peers about the development trend of green building in the new era

03 The Group has organized several seminars about green ecological urban areas, to discuss about the overall planning of green ecology, the applicable green technologies for Evergrande Fairyland and other large cultural tourism projects

04 The Group participated in the “Tenth Guangzhou International Solar Photovoltaic Exhibition” held in Guangzhou in August 2018, to timely obtain the knowledge of the latest information about the promotion and application of photovoltaic power generation and other clean energy

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5. Disclosure of key performance indicators related to environment in 2018

The Group's key performance indicators related to environment in 2018 are as below:

Level	Indicator	Unit	Total
A1.1	SOx emission	kg	42.92
	NOx emission	kg	26,481.87
	Particulate matters	kg	2,244.77
A1.2	Greenhouse gas emissions (Scope I)	ton	10,048.76
	Greenhouse gas emissions (Scope II)	ton	152,787.01
	Greenhouse gas emissions (Scopes I and II)	ton	162,835.76
A1.3	Weight of waste electronic products	kg	21,624.85
A1.4	Office waste	ton	3,518.63
A2.1	Total energy consumption	GJ	772,354.78
	Direct energy consumption	GJ	131,518.22
	Indirect energy consumption	GJ	640,836.56
	Energy consumption intensity	GJ/Income (in RMB million)	2.07
	Total electricity consumption	kWh	178,010,155.08
	Gasoline consumption	L	2,353,043.03
	Diesel consumption	L	486,984.09
	Consumption of liquefied petroleum gas	kg	531,878.54
	Consumption of pipeline gas	m ³	391,234.65
	A2.2	Water Consumption	m ³
Water consumption intensity		m ³ /Income (in RMB million)	27.46

Remarks on the environmental data:

- (1) The time of the data collection is during 1 January to 31 December 2018; the scope of data collection covers 17 regional real estate companies and their project companies, and 4 offices of the headquarters in Guangzhou and Shenzhen. The regional companies covered Guangdong, East China, Beijing, Anhui, Shandong, Central China, Shaanxi, Hainan, Hubei, Hunan, Shenzhen, Pearl River Delta, Sichuan, Chongqing, Jiangsu, Jiangxi and Guangxi; compared with 2017, Sichuan, Chongqing, Jiangsu, Jiangxi and Guangxi were newly added.
- (2) The emission comes from the use of official vehicles and burning of natural gas. Emission factors of natural gas are based on the 2017 Coefficient, Material Balance Calculation Methods for Industries not Included in Emission Permit Management, and other emission factors are based on the Reporting Guidance on Environmental KPIs promulgated by HKEX.
- (3) The emission of greenhouse gas (scope I) mainly comes from the gasoline and diesel consumption of official vehicles and the consumption of liquefied petroleum gas and pipeline gas by non-outsourced staff canteens; the emission of greenhouse gas (scope II) comes from outsourced electricity. Emissions factors of greenhouse gas of purchased electricity are based on the Ministry of Ecology and Environment's "China Regional Power Grid Baseline Emission Factor for Emission Reduction Project for 2017". Other emissions factors are based on the "Reporting Guidance on Environmental KPIs" of HKEX.
- (4) The types of consumed energy include liquefied petroleum gas and pipeline gas consumed by non-outsourced staff canteens, outsourced electricity, gasoline and diesel used by vehicles; unit conversion coefficient for energy consumption took GB2589-2008T General Principles for Calculation of Total Production Energy Consumption as reference.

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Appendix I: 2018 List of Certified Green Building Projects

No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
1	Fuyang Evergrande County	Residential Building 1-18	One Star	Residential	27.236
2	Fuyang Evergrande County	S1-S3/S5-S10# supporting public facilities and complex buildings	One Star	Residential	0.5
3	Huangshan Evergrande Mansion	Building 19 and 20#	Two Star	Residential	0.34
4	Huangshan Evergrande Mansion	Building 1-18#	Two Star	Residential	29.55
5	Beijing Evergrande Cultural Tourism City	Plot A Residential Building A1-A22#	One Star	Residential	20.22
6	Beijing Evergrande Cultural Tourism City	Plot B Residential Building B1-B17#	One Star	Residential	18.99
7	Beijing Evergrande Cultural Tourism City	Plot C Residential Building C1-C21#	One Star	Residential	16.82
8	Nan'an Evergrande Royal Scenic	Phase I Residential Buildings	One Star	Residential	27.03
9	Nan'an Evergrande Royal Scenic	Phase II	One Star	Residential	7.2
10	Dongguan Evergrande Bay	Zone 1 Commercial and Office Building 60/63#	One Star	Residential	12.68
11	Dongguan Evergrande Bay	Zone 1 Residential Building 59/61-62# and 64-65#	One Star	Residential	4.4
12	Dongguan Evergrande Bay	Zone 2 Commercial Building 66#	One Star	Residential	0.1
13	Dongguan Evergrande Bay	Zone 2 Residential Building 3-44#	One Star	Residential	12.36
14	Dongguan Evergrande Bay	Zone 2 Kindergarten 67#	One Star	Residential	0.52
15	Dongguan Evergrande Bay	Zone 3 Office Building 1#, Commercial and Office Building 2#, Basement 3#	One Star	Residential	1.22
16	Guiyang Evergrande Left Bank	Building 4/10/11/16#	One Star	Residential	18.86
17	Guiyang Evergrande Left Bank	Building 5-9#	One Star	Residential	9.21
18	Zunyi Evergrande Jade Court	Phase I Commercial Building	One Star	Residential	1.62
19	Zunyi Evergrande Jade Court	Phase I Residential Building	One Star	Residential	23.91
20	Lingao Evergrande Royal Sea (Phase I)	Plot C13D11	One Star	Public facilities	6.57
21	Lingao Evergrande Royal Sea (Phase I)	Plot E03E06	One Star	Residential	26.4
22	Sanya Evergrande Mansion	Building 1-4#	One Star	Residential	12.49

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No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
23	Sanya Evergrande Mansion	Building 5-20#	One Star	Residential	23.86
24	Qianjiang Evergrande Metropolis	Building 1-8#	Two Star	Residential	24.19
25	Qianjiang Evergrande Metropolis	Building 9#	One Star	Public facilities	1.78
26	Suizhou Evergrande Metropolis	Cinema in Zone A	One Star	Residential	0.92
27	Suizhou Evergrande Metropolis	Independent Commercial and Complex Building in Zone A	One Star	Residential	0.49
28	Suizhou Evergrande Metropolis	Zone A Residential Building 1-10#	Two Star	Residential	19.79
29	Jiande Evergrande County	Plot B Phase I	One Star	Residential	5.95
30	Jiande Evergrande County	Plot A Phase I	One Star	Residential	10.29
31	Jiande Evergrande Manor	Plot A	One Star	Residential	9.3
32	Jiande Evergrande Manor	Plot B	One Star	Residential	6.36
33	Jiande Evergrande Manor	Plot C	One Star	Residential	3.12
34	Jiande Evergrande Manor	Plot D	One Star	Residential	3.05
35	Ningbo Evergrande Royal Sea World	Plot 2	One Star	Residential	28.07
36	Ningbo Evergrande Royal Sea World	Plot 3	One Star	Residential	43.21
37	Ningbo Evergrande Royal Sea World	Plot 4	One Star	Residential	37.99
38	Taizhou Evergrande Royal Scenic Peninsula	Building 31-34#	One Star	Residential	6.12
39	Taizhou Evergrande Royal Scenic Peninsula	Building 35-53#, 65/75-76/88/120-121/214#	One Star	Residential	22.9
40	Shaoyang Evergrande Palace	Phase I Building 1-7#	One Star	Residential	21.38
41	Shaoyang Evergrande Palace	Phase I Complex Building and Building S1-S3/S5-S6#	One Star	Residential	2.22
42	Yantai Evergrande Royal Scenic Peninsula	Plot A	One Star	Residential	15.97
43	Yantai Evergrande Royal Scenic Peninsula	Plot C-1	One Star	Residential	14.77
44	Yantai Evergrande Royal Palace	Plot 2 Building 1-15#, Commercial Building 16#, underground garage	Two Star	Residential	23.96
45	Yantai Evergrande Royal Palace	Plot 7# Building 1-11#, underground garage	Two Star	Residential	15.26
46	Linfen Evergrande Mansion	Phase I	One Star	Residential	31.17
47	Linfen Evergrande Mansion	Phase I	One Star	Public facilities	1.42
48	Xi'an Zhongyu Evergrande International City Phase 4	Building 30#	One Star	Public facilities	0.29

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No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
49	Xi'an Zhongyu Evergrande International City Phase 4	Building 4#~6~, Building 13#~14~, Building 19#~24# and underground garage	One Star	Residential	22.4
50	Wenjiang Evergrande Future City	Phase I	One Star	Residential	14.9
51	Wenjiang Evergrande Future City	Phase II (Building 2/4/5/7/9#)	One Star	Residential	11.45
52	Qujing Evergrande Oasis	Building 1-17#	One Star	Residential	49.63
53	Qujing Evergrande Oasis	Building 18#	One Star	Residential	3.29
54	Foshan Lihu City	Building 22-28# and 37-53# and basement	One Star	Residential	26.84
55	Foshan Lihu City	Phase II	One Star	Residential	24.7
56	Haozhou Evergrande County	Residential Building 1-6# and 17-20#	One Star	Residential	15.57
57	Bengbu Evergrande Left Bank	Residential Building 1-13#	One Star	Residential	16.71
58	Chuzhou Evergrande Jiangbei Royal Garden	Building 1-6#, 8-10#, 12-14# and 17-19#	One Star	Residential	10.76
59	Huaibei Evergrande Royal Scenery	Building 1-20#	One Star	Residential	25.861
60	Huaibei Evergrande Central Park	Building 1-20	One Star	Residential	37.11
61	Xuancheng Evergrande Jade Court	Building 1-16#	One Star	Residential	10.55
62	Chengdu Evergrande Central Plaza Phase II	Phase II	One Star	Residential	10.67
63	Chengde Evergrande Great Wall Town	Plot 37-38	One Star	Residential	4.9
64	Shijiazhuang Evergrande Sunny Wind Town	Section I, II and III	One Star	Residential	43.82
65	Shijiazhuang Evergrande Mansion	Phase I	One Star	Residential	8.5
66	Tianjin Evergrande Mansion	Phase I	One Star	Residential	30.44
67	Fuqing Evergrande City	Phase II	One Star	Residential	14.29
68	Quanzhou Evergrande Garden	Phase II	One Star	Residential	7.37
69	Zhangzhou Evergrande Royal Garden	Phase I Residential Building	One Star	Residential	11.93
70	Zhaoqing Sihui Evergrande Royal City	Commercial and residential community Building 1-8#	One Star	Residential	14.5
71	Beihai Evergrande Garden	Building 4#, 5# and 7-11#	One Star	Residential	15.76
72	Fangchenggang Evergrande Mansion of Canal Plot A	Residential Building 1-5#, 8#, Complex Building 17#, Commercial Building 20#	One Star	Residential	13.17

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No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
73	Guigang Evergrande City (Phase I)	Building 1-3/7/9-16# and basement	One Star	Residential	16.5
74	Guilin Evergrande City	Building 1-4#, Building 13-19#	One Star	Residential	17.86
75	Qinzhou Evergrande Mansion	Plot A Phase I Building 1#/10#/11#/12#	One Star	Residential	14.58
76	Handan Evergrande Oasis	Plot S1-S4	One Star	Residential	45.08
77	Wuzhou Evergrande Oasis	Residential Building 1#-21#, underground supporting commerce and basement	One Star	Residential	23.04
78	Guiyang Evergrande Nanming Mansion	Building 1-9/11-18#	One Star	Residential	34.27
79	Guiyang Evergrande Future City	Building A-1#-A-6#/A-9#-A-13#	One Star	Residential	13.13
80	Huangshi Evergrande Royal Garden	Phase I	One Star	Residential	20.32
81	Jingmen Evergrande Royal Garden	Building 1-13#	One Star	Residential	25.82
82	Jingzhou Evergrande Jade Court	Building 1-6	One Star	Residential	13.88
83	Shiyan Evergrande City Phase I	Building 2-7, 9 and 10	One Star	Residential	18.39
84	Suizhou Evergrande Mansion	Building 1-10	Two Star	Residential	24.47
85	Yichang Evergrande Metropolis	Building 2-8/10-18	One Star	Residential	30.38
86	Anji Evergrande Linxi Zhuyu	Phase I	One Star	Residential	35.2
87	Huzhou Evergrande Junrui Mansion	Phase I	One Star	Residential	17.59
88	Huzhou Evergrande Royal Peak	Phase I	One Star	Residential	26.78
89	Jiaxing Evergrande Royal Scenery	Phase I	One Star	Residential	37.01
90	Suzhou Evergrande Junrui Mansion	1-2/6-8/12-14/18-20/24-27/30/31#	One Star	Residential	16.3
91	Yuyao Evergrande Mansion	Phase I	One Star	Residential	49.93
92	Zhuji Evergrande Mansion	Phase I	Two Star	Residential	19.6
93	Changzhou Evergrande Royal Scenic	Building 13# and 14#	One Star	Residential	3.88
94	Nantong Evergrande Mansion of Canal	Phase I	One Star	Residential	26.27
95	Pizhou Evergrande County	Building 1#-9# and underground garage	Two Star	Residential	18.65
96	Taizhou Evergrande Palace	Phase I	One Star	Residential	13.4
97	Taizhou Evergrande Imperial Park	Phase I	One Star	Residential	13.12

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No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
98	Taizhou Evergrande Mansion	Building 1#-19#	Two Star	Residential	35.1
99	Yancheng Dongtai Jade Garden	Building 1-8/12-15#	Two Star	Residential	14.41
100	Ji'an Evergrande Royal Scenic Peninsula	Plot A03-02, Building 1#-6#	One Star	Residential	8.77
101	Nanchang Evergrande Jade Court	Phase I	One Star	Residential	14.75
102	Nanchang Evergrande Jade Court	Phase I	One Star	Residential	19.04
103	Nanchang Evergrande Light of Time	Phase I	One Star	Residential	16.29
104	Nanchang Evergrande Royal Mansion	Phase I	One Star	Residential	19.43
105	Pingxiang Evergrande Mansion	5.6.10-12.16-26#	One Star	Residential	19.78
106	Yichun Evergrande Royal Scenic	Phase I	One Star	Residential	22.12
107	Shenyang Evergrande Royal Peak	Phase I	One Star	Residential	21.23
108	Shenyang Evergrande Mansion	Phase I	One Star	Residential	7.54
109	Shenyang Evergrande Central Plaza	Phase I	One Star	Residential	21.44
110	Hohhot Evergrande Jade Court	Phase I	One Star	Residential	8.65
111	Hohhot Evergrande Oasis	Phase I	One Star	Residential	15.85
112	Heze Evergrande Royal Peak	1-4#, 7-9#, 12-15#, 18/19#, Gate, Basement 1	One Star	Residential	15.77
113	Linyi Evergrande Jade Court	Building 2-13#	One Star	Residential	58.68
114	Linyi Evergrande Central Plaza	Residential Building 8#, 10#, 11#, 12# and 14#	One Star	Residential	47.22
115	Qingdao Evergrande Royal International Mansion	Building 1-17#	One Star	Residential	16.74
116	Qingdao Evergrande Mansion	Building 4-6/20/50-64/103-11# Phase 1/2/3	One Star	Residential	25.85
117	Weihai Evergrande Jade Court	5-8#, 13-16#, 23-31#, 36#-40#, 43# and 44#	One Star	Residential	18.72
118	Weihai Evergrande Royal Scenic Peninsula	Residential Building 1/3/5/7-10/19#, underground garage 1# and 3	One Star	Residential	25.79
119	Zibo Evergrande Jade Court	Building 1~6#	Two Star	Residential	15.01

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No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
120	Zibo Evergrande County	Building 1-3#, 9-12# and 17-20#	Two Star	Residential	25.18
121	Jinzhong Evergrande Palace	Phase I Plot, Building 14-16/18-22#, basement	One Star	Residential	15.46
122	Baoji Evergrande Royal Scenery	Residential building 1-11# and underground garage	One Star	Residential	27.34
123	Xiangyang Evergrande Jade Court	Residential building 2-8#, kindergarten, complex building	One Star	Residential	18.23
124	Shenzhen Fashion Wisdom Mansion	Phase I	One Star	Residential	49.9
125	Chengdu Evergrande King Mansion	Phase I	Two Star	Residential	16.57
126	Chengdu Evergrande Xichen Oasis	Phase I	One Star	Residential	14.93
127	Chengdu Evergrande Royal Peak	Phase I (Building 1/9/10/18/21-26#)	One Star	Residential	27.01
128	Luzhou Evergrande City	Building 12-16/20-22/24#	One Star	Residential	16.53
129	Luzhou Evergrande Royal Scenic Peninsula	Phase I, Building 1-9#	One Star	Residential	20.74
130	Yichang Evergrande Palace	Phase I	One Star	Residential	14.39
131	Lankao Evergrande Royal Garden	5-50# (no building numbered with 4)	Two Star	Residential	45.13
132	Nanyang Evergrande Jade Court	Building 1/3/5/7/9/10#	Two Star	Residential	14.34
133	Pingdingshan Evergrande Junrui Mansion	1-3#, 5-7#, 10-11#	Two Star	Residential	10.64
134	Taikang Evergrande Royal Garden	Building 1-3#, 5-13# and 15-19#	One Star	Residential	18.26
135	Xinxiang Evergrande Splendor — Half City Lake	1-37# (with no building numbered with the number 4)	One Star	Residential	33.6
136	Xinyang Evergrande Royal Scenery	Plot F2 (15-17#)	Two Star	Residential	8.64
137	Chongqing Evergrande Track Time	Plot I14-3/02	One Star	Public facilities	25.98
138	Chongqing Evergrande County	Phase II	One Star	Residential	11.23
139	Qianjiang Evergrande Metropolis	Plot ZY-Cheng-1/01, Plot ZY-A32-1/01	One Star	Residential	2.27
140	Chongqing Evergrande Green Island New Town Group E	Building 1-10# and basement	Two Star	Residential	24.54
141	Dongguan Evergrande Left Bank	Phase I	One Star	Residential	12.67

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No.	Project name	Phase	Star level of green building	Category	Declared area (10,000 m ²)
142	No.1 Ocean Flower Island, Hainan, China	Commercial street, food street, tea and bar street project in Zone E	One Star	Public buildings	9.74
143	No.1 Ocean Flower Island, Hainan, China	Wedding manor project	One Star	Public buildings	0.2
144	No.1 Ocean Flower Island, Hainan, China	Cultural entertainment town project in Zone A	One Star	Public buildings	9
145	No.1 Ocean Flower Island, Hainan, China	International conference center CH2-CH9 project in Zone C	Two Star	Public buildings	7.5
146	No.1 Ocean Flower Island, Hainan, China	European style castle resort hotel project in Zone C	One Star	Public buildings	36.43
147	No.1 Ocean Flower Island, Hainan, China	Huaxia film and television base project in Zone D	One Star	Public buildings	14.46
148	No.1 Ocean Flower Island, Hainan, China	Spring town project in Zone F	One Star	Public buildings	1.79
149	No.1 Ocean Flower Island, Hainan, China	International conference center CH1 in Zone C	Three-star level	Public buildings	2.22
150	No.1 Ocean Flower Island, Hainan, China	Museum group in Zone E	One Star	Public buildings	2.33
151	No.1 Ocean Flower Island, Hainan, China	Seven Star Peninsula Hotel in Zone C	One Star	Public buildings	12.64
152	Suzhou Taicang Children Talent Garden	Building 1-10	One Star	Residential	22.77
153	Suzhou Taicang Children Etiquette Garden	Building 1-10	One Star	Residential	13.55
154	Guiyang Evergrande Cultural Tourism City	Group 3# Building 1-10#	One Star	Residential	16.78
155	Guiyang Evergrande Cultural Tourism City	Group 10# Building 1-12#	Two Star	Residential	13.11
156	Kaifeng Evergrande Fairyland	A-1, 3, 5-9, 11-13#	One Star	Residential	14.11
157	Kaifeng Evergrande Fairyland	A-15-32#	One Star	Residential	15.99
158	Kaifeng Evergrande Fairyland	Zone B-35-57#	One Star	Residential	25.86
159	Kaifeng Evergrande Fairyland	Zone C-68-80#	One Star	Residential	27.32
160	Kaifeng Evergrande Fairyland	Zone D-1-16#	One Star	Residential	39.89
161	Kaifeng Evergrande Fairyland	Zone E-1-8#	One Star	Residential	21.59
162	Kaifeng Evergrande Fairyland	Zone F-9-16#	One Star	Residential	28.85

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Appendix II: List of Policies and Regulations

ESG indicators	External laws, regulations and rules	Internal policies
A1 Emissions	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise	Policy for the Design of Green Buildings Policy for Special Appraisal on Green Buildings
A2 Resource use	Atmospheric Pollution Prevention and Control Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China	Policy for Green Property Management Criteria for the Building of Green Residential Culture
A3 Environment and natural resources	Marine Environment Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes Management Regulation on Hazardous Wastes Manifests Soil Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment Law of the People's Republic of China on Prevention and Control of Radioactive Pollution Construction Law of the People's Republic of China Regulations on the Administration of Construction Project Environmental Protection (2017 Amendment) Regulations on the Administration of City Appearance and Environmental Sanitation (2017 Amendment) Energy Conservation Law of the People's Republic of China Urban and Rural Planning Law of the People's Republic of China Water and Soil Conservation Law of the People's Republic of China Forest Law of The People's Republic of China The Thirteenth Five-Year Guideline for the Control of the Greenhouse Gas Emission	Measures for Industrialized Management of Buildings Standard and Requirements of Evergrande Group for the Design of Green Residences (One & Two Star Level) Project Management Standard Series of Evergrande Real Estate--Safe and Civilized Construction Standards

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ESG indicators	External laws, regulations and rules	Internal policies
B1 Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China	Recruitment Management Policy Policy of Evergrande for Recruitment and On-boarding
B2 Health and safety	Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Provisions on Minimum Wages (Order of the Ministry of Labor and Social Security of the People's Republic of China)	Policy of Evergrande for Formal Employment of New Employees Labor Contract Management System of China Evergrande Group Policy of Evergrande on Labor Discipline
B3 Development and training	Regulations on Payroll Computing Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Work Safety Law of the People's Republic of China	Regulations on Payroll Computing Management of Evergrande Group Leading Cadre Selection and Appointment Management System of Evergrande Group
B4 Labor standards	Fire Protection Law of the People's Republic of China Emergency Response Law of the People's Republic of China Regulations on the Safety Management of Hazardous Chemicals Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents Provisional Regulation on Investigation and Treatment of Potential Risks for Work Safety Accidents Regulation of the People's Republic of China on Work-Related Injury Insurance Provisions on the Supervision and Administration of Occupational Health at Work Sites Law of the People's Republic of China on the Protection of Minors Provisions on the Prohibition of Using Child Labor	Group Training Management System Group's Three-year Training Plan for College Students Enrolled Administrative Regulations on Grass-root Post Shift Training of College Students Enrolled Employee Demission Management System of China Evergrande Group Management Measures of Evergrande Real Estate Group on Protection of Migrant Workers' Rights and Interests Regulations on Social Insurance and Housing Fund Management of Evergrande Group Project Management Standard Series of Evergrande Real Estate--Safe and Civilized Construction Standards
B5 Supply Chain Management	Law of the People's Republic of China on Tenders and Bids Government Procurement Law of the People's Republic of China Construction Law of the People's Republic of China	Policy for the Management of Tenders and Bids Red Line Regulations on Supplier Management of Material Companies Implementing Rules for the Assessment of Construction Companies

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ESG indicators	External laws, regulations and rules	Internal policies
B6 Product responsibilities	Regulations on Property Management (revised 2018) Tort Law of the People's Republic of China Copyright Law Trademark Law Patent Law Law of the People's Republic of China on the Protection of Consumer Rights and Interests General Provisions of the Civil Law of the People's Republic of China Advertising Law of the People's Republic of China Cybersecurity Law of the People's Republic of China	Management System for Designing Guidebook on Property Service Scenarios Service and Management Manual for Site of Star-level Cases IPR Management System of Evergrande Group After-sales Service Management Measures Measures for Marketing Management of the Group Confidentiality Rules and Regulations of Evergrande Group Policy of Evergrande Group on Management of Archives
B7 Anti-corruption	Interim Provisions on Banning Commercial Bribery Anti-Unfair Competition Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Law of the People's Republic of China on the People's Bank of China	Evergrande Real Estate Group Integrity Supervision Work Management Measures Notice on the Reaffirmation of the Group System Integrity Provisions and Penalties Measures for the Administration of Gift Money and Gifts Eight Prohibitions on Inspection Discipline of Evergrande Group Evergrande Group Cadres Code 36 Evergrande Group Work Style Inspection Implementation Method Evergrande Life Insurance Company Limited Anti-Money Laundering Management Measures

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Appendix III: Content Index of the ESG Reporting Guide

	ESG indicators	Disclosure	Corresponding chapters
A1 General Disclosure	Information on the policies, compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	XI. Creating Value for the Environment
A1.1	Types of emissions and respective emissions data.	Disclosed	XI. Creating Value for the Environment
A1.2	Total greenhouse gas emissions (calculated in tons) and (if applicable) density (calculated according to each output unit, and each facility).	Disclosed	XI. Creating Value for the Environment
A1.3	Total amount (in tonnes) and density (if applicable) of generated hazardous waste (calculated according to each output unit, and each facility).	Disclosed	XI. Creating Value for the Environment
A1.4	Total amount (in tonnes) and density (if applicable) of generated non-hazardous waste (calculated according to each output unit, and each facility).	Disclosed	XI. Creating Value for the Environment
A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed	XI. Creating Value for the Environment
A1.6	Description of methods of handling hazardous and non-hazardous waste, measures and achievements of emissions reduction.	Disclosed	XI. Creating Value for the Environment
A2 General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Disclosed	XI. Creating Value for the Environment
A2.1	Total amount (calculated in 1000 kWh) and density of direct and/or indirect energy (such as electricity, gas or oil) consumption by type (calculated according to each output unit, and each facility).	Disclosed	XI. Creating Value for the Environment
A2.2	Total amount of water consumption and density (calculated according to each output unit, and each facility).	Disclosed	XI. Creating Value for the Environment
A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed	XI. Creating Value for the Environment
A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved.	Disclosed	XI. Creating Value for the Environment

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	ESG indicators	Disclosure	Corresponding chapters
A2.5	Total amount (calculated in tons) and unit amount of packaging materials used in the finished product (if applicable).	N/A	Products of the Group are mainly commercial residential buildings, not including packing materials for finished products.
A3 General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Disclosed	XI. Creating Value for the Environment
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	Disclosed	XI. Creating Value for the Environment
B1 General Disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	IX. Creating Value for Employees
B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed in part	IX. Creating Value for Employees
B1.2	Employee turnover rate by gender, age group and geographical region.	Temporarily not disclosed, considering to be disclosed in future years	
B2 General Disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	IX. Creating Value for Employees
B2.1	Number and rate of work-related fatalities.	Temporarily not disclosed, considering to be disclosed in future years	IX. Creating Value for Employees
B2.2	Lost days due to work injury.	Temporarily not disclosed, considering to be disclosed in future years	IX. Creating Value for Employees

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	ESG indicators	Disclosure	Corresponding chapters
B2.3	Description of occupational health and safety measures.	Disclosed	IX. Creating Value for Employees
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	IX. Creating Value for Employees
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Temporarily not disclosed, considering to be disclosed in future years	
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed in part	IX. Creating Value for Employees
B4 General Disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to preventing child and forced labor.	Disclosed	IX. Creating Value for Employees
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Disclosed	IX. Creating Value for Employees
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	IX. Creating Value for Employees
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	X. Creating Value for Suppliers
B5.1	Number of suppliers by geographical region.	Disclosed	X. Creating Value for Suppliers
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Disclosed	X. Creating Value for Suppliers
B6 General Disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Disclosed	VI. Creating Value for Customers
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Temporarily not disclosed, considering to be disclosed in future years	
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	VI. Creating Value for Customers

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	ESG indicators	Disclosure	Corresponding chapters
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	VI. Creating Value for Customers
B6.4	Description of quality assurance process and recall procedures.	Disclosed in part	VI. Creating Value for Customers
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	VI. Creating Value for Customers
B7 General Disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering.	Disclosed	VIII. Anti-corruption and Business of Integrity
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Temporarily not disclosed, considering to be disclosed in future years	VIII. Anti-corruption and Business of Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Disclosed	VIII. Anti-corruption and Business of Integrity
B8 General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	VII. Creating Value for the Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Disclosed	VII. Creating Value for the Society
B8.2	Resources contributed (e.g. money or time) to the focus areas.	Disclosed	VII. Creating Value for the Society



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