



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)

Stock Code: 3333

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT **2019**



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Address from Chairman

Founded in 1996, Evergrande has strode toward its twenty-third year. We have made seven major strategic decisions since establishment to form a scientific, forward-looking and effective model for development and continuously worked miracles in leapfrog development. Adhering to the philosophy of “Properties for People” as always, we are committed to building better living homes for common people, and making contribution to high-quality economic and social development.

ENHANCING QUALITY AND EFFICIENCY FOR HIGH-QUALITY DEVELOPMENT

In order to become a century-old business, we create more wealth and more jobs for the society by keeping up with the trend of the times and forging ahead. Sticking to the philosophy of “Centering on People’s Livelihood and Serving Country with Industrial Development”, we are cautious and conscientious in corporate operation, management and development. In 2019, we reinforced the implementation of the major strategic decision of “New Evergrande, New Starting Point, New Strategy and New Blueprint”, maintained moderated growth while facilitating high-quality development, and ranked 138th in the Fortune Global 500. In the meantime, with constant exploration and implementation of strategic diversification, we have established a comprehensive industry layout of having properties for people as foundation, developing cultural tourism and health and well-being management as complementary pillars, and focusing on new energy vehicle as the leading growth driver.

JOINING HANDS TO SURPASS CHALLENGING BARRIERS

Communication and cooperation with various stakeholders is the key for us to surpass challenging barriers and maintain vitality. In 2019, we continued to push forward corporate development while maintaining high quality and return investors and shareholders with stable values. We achieved sound results in the mutual development of upstream and downstream enterprises on the principle of “win-win, fairness and transparency” for cooperation. Upholding the employment philosophy of “talent-based country and talent-based industry”, we continued to enhance our talent cultivation and promotion mechanism in order to achieve mutual growth of employees and enterprises.

BEING A GENEROUS CONTRIBUTOR TO HELP PEOPLE IN NEED

Charity responsibility is the highest level of corporate social responsibility, and doing beneficence is one of the internal driving forces for corporate development. Since our establishment, we have paid close attention to the latest development of poverty alleviation, people’s livelihood, education, environmental protection, sports and other fields in the country, and actively participated in various charity activities. We have made over 100 donations so far. In 2019, we carried forward the spirit and style of Evergrande without losing our original aspiration, and made concrete efforts in the targeted poverty alleviation work in Bijie City as before. We worked together with local officials and citizens to fight against poverty.

In the future, we will continue to be fully aware of our corporate social responsibilities. By virtue of the national support for the development of private economy, we will further pursue excellence for faster, better, stronger and greater development, and make contribution to national economic and social development.

China Evergrande Group

Chairman of the Board of Directors

Hui Ka Yan

About This Report

China Evergrande Group is pleased to announce the Environmental, Social and Governance Report 2019 (this “Report”) of the Company and its subsidiaries (the “Group”, “we” or “us”). This Report discloses the development philosophy and annual performance of the Group in economic, social and environmental aspects, so as to address the expectation of stakeholders on the Group’s sustainable development management and information disclosure, enhance the understanding and confidence of all stakeholders in the Group and continuously improve the sustainable development performance of the Group.

SCOPE OF REPORTING

The information contained in this Report covers the period from 1 January to 31 December 2019, 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, new energy vehicle business, hotel operation, finance business, Internet business and health business. For details of the businesses of the Group, please refer to the 2019 financial report of the Group. For environmental, social and governance details of the Internet business, please refer to the 2019 ESG Report of HengTen Networks Group Limited. For environmental, social and governance details of the new energy vehicle and health businesses, please refer to the 2019 ESG Report of Evergrande Health Industry Group Limited.

BASIS OF PREPARATION

This Report was prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) of the Stock Exchange of Hong Kong Limited (the “HKEX”) and in compliance with the principle of materiality, quantification and consistency, aiming at an adequate and objective reflection of the efforts and achievements of the Group in the aspect of ESG in 2019. The final section of this Report contains a detailed content index of the ESG Reporting Guide for readers’ quick reference.

SOURCES OF INFORMATION

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.

ACCESS TO THE REPORT

This Report is available in Chinese and English electronic versions. In case of any discrepancy between the Chinese and English versions of this Report, the Chinese version shall prevail. You may 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.

BUSINESS OVERVIEW

Real Estate Segment

Adhering to the philosophy of “Properties for People”, Evergrande Real Estate is a leader of premium standardized properties in China. It has 835 projects in 237 cities in China and has strategic cooperation with more than 860 well-known enterprises in the world. Evergrande Real Estate implements the quality strategy, builds quality and cost-efficient products, and becomes a forerunner of the industry in “delivering the building with fine decoration” and “return with no reason required”, aiming to help more than 6 million property owners realize their dream of livability.



New Energy Vehicle Segment

The forward-looking layout of Evergrande lies on the new energy vehicle industry. It is an important initiative for actively responding to the national strategy of strengthening the country with science and technology, protecting the environment and benefiting humankind. It is also an inevitable choice for enterprises to pursue diversified development and become long-standing.

Adhering to the development positioning of “the core technology must be world-leading, the product quality must be world-class, and the cost must be significantly reduced”, Evergrande New Energy Automobile integrated the world’s top R&D and manufacturing forces by joining hands with leading companies in various sectors of the global automotive industry, and established a full industry chain of new energy vehicles covering vehicle R&D and manufacturing, electric motor control, power batteries, vehicle sales, smart charging, shared mobility and other aspects. Evergrande New Energy Automobile will strive to become the largest and most powerful new energy automobile group in the world in 3 to 5 years.

Through acquisition and cooperation, the Group acquired the world-leading core technology and intellectual property rights in different key fields including 3.0 chassis architecture, power battery, engine and integrated electric powertrain system.

The Group carried out strategic cooperation with the world’s top five automotive engineering technology leaders and top 15 design and styling masters to simultaneously develop 14 new car models on the basis of 3.0 chassis architecture. Hengchi 1 is expected to be introduced in 2020. Products under Hengchi Series will gradually commence volume production from 2021.

Through strategic cooperation with the world’s top 60 automotive equipment suppliers, the Group established high-end smart factory based on the Industry 4.0 Standard, which adopted the world’s leading manufacturing equipment and production technologies, thus realizing “Dark Factory” under automated operation. The construction of production bases in Guangdong and Shanghai is expected to be completed in the second half of 2020.



Tourism Segment

Striving to build an all-rounded cultural tourism complex layout, after 10 years of research and exploration, Evergrande Tourism is focusing to developing two flagship theme-park products that are the first of their kind in the world, namely Evergrande Fairyland and Evergrande Water World, and built the cultural tourist resort “Ocean Flower Island in Hainan China” yearned for the world.

Evergrande Fairyland



Evergrande Fairyland is developed specifically for children aged 2–15 years. It is the only large-scale themepark that is completely indoor and offers entertainment facilities under all weather conditions throughout the year. Each Evergrande Fairyland can serve an area with a radius of 500 kilometers, with 80 million population in surrounding area. At present, the planning for 15 Fairyland projects had been completed, and is expected to gradually put into operations from 2022 onwards.

Evergrande Water World



Evergrande Water World is designed to be the world’s largest “all-indoor, all-weather, all-season” hot-spring water theme park and each component park offers over 120 most popular water park rides selected from existing over 170 water park features around the world. Evergrande Tourism expects to develop 20–30 Evergrande Water World projects worldwide in the next 3 years.

Ocean Flower Island in Hainan China



Ocean Flower Island, located in Hainan China, is the first benchmark project created by Evergrande Tourism, and has 28 major facilities including the International Conference Center, museum cluster, Fairytale World, Water Park, Ocean Park, International Shopping Center, modern hotel cluster and Botanical Museum. It has already completed its exterior facade construction work and is currently undergoing interior decoration and equipment installation. At present, there are 35 global restaurants and 255 international retail brands contracted. It is planned to have its grand opening in 2020.

Health Segment

Evergrande Health Industry Group Limited (0708.HK) under the Group has actively practiced the national strategy of “Healthy China”, focuses on health industry, and has successfully constructed its key elderly care and wellness living product, Evergrande Elderly Care Valley, that meets the demands for elderly care and wellness living in China.

- Evergrande Elderly Care Valley integrates first-class resources in medical services, health management, wellness living, elderly care, insurance and tourism and builds a membership platform. It provides whole-lifecycle, high-quality and multi-dimensional healthcare services to its members through its unique “four major gardens”, “five major innovations” and “four major services”.
- At present, there are 24 healthcare industry projects that have been under construction. In the next three years, it is planned to construct 70 Evergrande Elderly Care Valley projects.
- Boao Evergrande International Hospital is the first international hospital of Evergrande. It is the only overseas affiliated hospital of Brigham and Women’s Hospital under Harvard Medical School, and has officially put into operation.



PERFORMANCE FOR THE YEAR

In 2019, faced with the complexities in the economic environment domestically and abroad as well as intense industry competition, the Group fully understood that housing is for people to live in, and firmly carried out controlling policies following the government's direction, thus achieving "stable land price, stable property price and stable expectations". Having real estate development as the foundation, developing cultural tourism and health wellbeing management as the complementary pillars, and focusing on new energy vehicles as the leading growth driver, the Group gained a leading position among its peers in terms of operation scale and profit.

In 2019, the Group successfully increased its shareholding in Shengjing Bank which had total assets of RMB1,021.5 billion as at the end of 2019, and became the single largest shareholder with 36.4% shareholding. Together with the 50% shareholding in Evergrande Life Insurance which had total assets of RMB188.6 billion as at the end of 2019, the combined total assets managed by the Group amounted to RMB3,416.7 billion. At the same time, the Group was ranked 138th in the Fortune Global 500 in 2019, significantly improving by 358 positions from 496th when it entered the list for the first time in 2016.

In 2019, our operation and social efficiency are summarized as follows:

Economic Efficiency

Amount of contract sales

RMB **601.06** billion

Area of contract sales

58.463 million square meters

Average price of contracted sales

RMB **10,281**/square meter

GFA of projects under construction

123 million square meters

Social Efficiency

Helped

905,000 people be
lifted out of poverty in
Bijie City, Guizhou Province

Provided job opportunities for

2.60 million people in upstream
and downstream industries

Total number of employees

133,123

Percentage of female employees

35.6%

Cumulative number of employees attending learning and training sessions

2,204,260

Area certified for green building

39.522 million square meters

HONORS FOR THE YEAR

Awards and prizes in economic aspect







Date	Name of award	Issuing authority
28 January	The 81st place for the world's top 500 most valuable brands in 2019	Brand Finance (a global well-known brand value evaluation agency)
19 March	The first place for Top 100 Chinese Real Estate Firms for 2019 The first place for Top 10 Comprehensive Strength of Top 100 Chinese Real Estate Firms for 2019 The second place for Top 10 Scale of Top 100 Chinese Real Estate Firms for 2019 The first place for Top 10 Financing Capability of Top 100 Chinese Real Estate Firms for 2019 The first place for Top 10 Operation Efficiency of Top 100 Chinese Real Estate Firms for 2019 The first place for Model Company on Poverty Alleviation for the Year	Enterprise Research Institute of Development Research Center of the State Council Real Estate Research Institute of Tsinghua University China Index Academy
20 March	The first place for Top 500 China Real Estate Developers for 2019 The first place for Top 10 Comprehensive Strength of China Real Estate Developers for 2019 The first place for Top 10 Comprehensive Development of China Real Estate Developers for 2019 The second place for Top 10 Operation Efficiency of China Real Estate Developers for 2019 The first place for Top 10 Cultural Tourism and Real Estate of China Real Estate Developers for 2019 The first place for Top 10 Responsible Property of China Real Estate Developers for 2019 The first place for Top 10 City Coverage of China Real Estate Developers for 2019 The first place for Top 10 Innovation Capacity of China Real Estate Developers for 2019	China Real Estate Association Shanghai E-House Real Estate Research Institute China Real Estate Evaluation Center
11 April	Top 100 Brand Value List of Chinese Listed Companies for 2019	Tsinghua University School of Economics and Management NBD Think Tank National Business Daily
26 April	Guangdong-Hong Kong-Macau Greater Bay Area Comprehensive Operation Model Enterprise for 2019	China Real Estate Business creb.com.cn China Real Estate Think Tank China Real Estate Newspaper Research Institute
16 May	The 94th place for Forbes Global 2000 for 2019	Forbes
23 May	The first place for China Real Estate Listed Companies for 2019 The first place for Top 10 China Real Estate H-share Listed Companies for 2019	China Real Estate Association Shanghai E-House Real Estate Research Institute China Real Estate Evaluation Center

Date	Name of award	Issuing authority
23 May	The first place for Top 10 Corporate Governance of Chinese Listed Real Estate Companies for 2019 The first place for Top 10 Comprehensive Strength of Chinese Real Estate Companies Listed in Hong Kong for 2019 The second place for Top 10 Wealth Creation Capability of Chinese Real Estate Companies Listed in Hong Kong for 2019 The first place for Top 10 Investment Value of Chinese Real Estate Companies Listed in Hong Kong for 2019 The first place for Real Estate Companies Worth Attention in Capital Market for 2019	Enterprise Research Institute of Development Research Center of the State Council Real Estate Research Institute of Tsinghua University China Index Academy
22 June	Top 10 Guangdong Real Estate Developers in Terms of Comprehensive Strength for 2019 Top 10 Guangdong Real Estate Developers for 2009–2019 Ten Consecutive Years	China Listed Company Development Center China Famous Brand Research Institute China Ranking Website
10 July	The 16th place for Fortune China Top 500 for 2019	Fortune China magazine
22 July	The 138th place for Fortune Global 500 for 2019	Fortune magazine
12 August	The third place for Top 200 Comprehensive Strength for 2019 The first place for Top 100 Brand Value of Chinese Real Estate Companies for 2019	EH Consulting
22 August	The third place for Top 100 Private Enterprises in Service Industry for 2019 The fifth place for Top 500 Chinese Private Enterprises for 2019	All-China Federation of Industry and Commerce
25 August	Boao Real Estate Forum China Real Estate Fashion Awards Top 30 Most Influential Real Estate Enterprises in China for 2019 Top 30 Investment Value Real Estate Enterprises in China for 2019	China Real Estate Fashion Awards Guardian Index Academy
2 September	The 34th place for Top 500 Chinese Enterprises for 2019 The 18th place for Top 500 Chinese Enterprises in Service Industry for 2019	China Enterprise Confederation
2 September	The sixth place for Top 500 Guangdong Enterprises for 2019 The third place for Top 100 Guangdong Private Enterprises for 2019 The third place for Top 100 Guangdong Enterprises in Service Industry for 2019	Guangdong Provincial Enterprises Confederation
9 September	Valuable Real Estate Enterprises of Valuable Real Estate Ranking for 2019	National Business Daily
10 September	The third place for Chinese Leading Real Estate Company Brands for 2019 (with a brand value of RMB88.3 billion)	Enterprise Research Institute of Development Research Center of the State Council Real Estate Research Institute of Tsinghua University China Index Academy

Date	Name of award	Issuing authority
19 September	The second place for Brand Value of Chinese Real Estate Developers for 2019 (with a brand value of RMB54.1 billion)	China Real Estate Association Shanghai E-House Real Estate Research Institute China Real Estate Evaluation Center
28 November	Guangdong Province Glorious Contribution Award for 2019 The third place of Top 100 of Guangdong Province Private Enterprises for 2019	Guangdong Federation of Industry & Commerce
15 December	Chinese Brand Strong Nation Festival 2019 Role Model 100	China Media Group

Awards and prizes in social aspect

Date	Issuing authority and name of award	Name of award
6 January	Awarded by China Real Estate Business and CIHAF Organising Committee: 2018 China Housing Enterprise Charity Award	
11 January	Awarded by http://www.ce.cn/ : "Promote China" Influence Brand — Poverty Alleviation Contribution Award	
2 April	Hui Ka Yan, the Chairman of the Board of the Group, was awarded by China Foundation for Poverty Alleviation: China Foundation for Poverty Alleviation for 30 Years and 30 People — Sponsor	
30 June	Awarded by Guangdong Poverty Alleviation Office and Guangdong Foundation for Poverty Alleviation: Gold Cup of Hongmian Cup for Poverty Alleviation in Guangdong	
23 July	Awarded by Southern Weekly at China CSR Annual Forum: Exemplary Enterprise of Contribution to Targeted Poverty Alleviation for 2019	
24 July	Awarded by Forbes magazine: The first place for Forbes Chinese Charity Ranking for 2019	
28 July	Awarded by 21st Century Business Herald: Golden Brick Social Responsibility Enterprise for 2019	
23 August	Awarded by Shenzhen Charity Alliance: The first place for Shenzhen Charity Donation Ranking for 2018	

Date	Issuing authority and name of award	Name of award
11 October	Awarded by China Children and Teenagers' Fund: Certificate of Appreciation for the 30-year Donation of the Spring Bud Project of China Children and Teenagers' Fund	
12 November	Awarded by People's Daily and International Financial News: Best Awards for Poverty Alleviation for 2019	
13 November	Awarded by Tencent Atom Think Tank and National School of Development, Peking University: Tencent 2019 Corporate Social Responsibility ESG Performance Outstanding Enterprise	
23 November	Awarded by chinanews.com and China Newsweek: The 15th China Corporate Social Responsibility Forum — 2019 Responsible Enterprises	
26 November	Awarded by Guangdong Real Estate Association: China (Guangdong) Real Estate Targeted Poverty Alleviation Outstanding Contribution Enterprise for 2019	
27 December	Awarded by People's Daily Online: The 14th People's Corporate Social Responsibility Award for Poverty Alleviation of the Year	
30 December	Awarded by University of Chinese Academy of Sciences Education Foundation: Outstanding Contribution Award	

ESG Philosophy and Governance

SUSTAINABLE DEVELOPMENT PHILOSOPHY AND STRATEGIES

Insisting on the operation philosophy of “Properties for People”, we pay close attention to people’s needs and national industrial policy trends, thereby establishing an industry layout of having properties for people” as foundation, developing cultural tourism and health and well-being management as complementary pillars, and focusing on new energy vehicle as the leading growth driver, and striving to improve the quality of life of all walks of life from aspects such as housing, traveling, and health being.

In enhancing our own business development, we actively pay attention to the expectations and demands of various stakeholders, integrate our sustainable development philosophy into our corporate culture, strategic corporate planning and operational decision-making, and further improve the management capacity and performance on environmental, social and governance related matters, so as to realize a balanced development of economy, environment and society and strive for creating a wonderful life for common people.



The Group implements the excellence strategy, fits the housing needs of property owners, and builds housing with high quality and high cost efficiency, making contribution to the development of the city.



The Group introduces talents through multiple channels and provides efficient training for them, so as to guarantee strong human resources for its development and provide an extensive development platform for employees.



The Group consistently implements the philosophy of integrity, compliance and transparent cooperation and establishes strategic alliances with excellent companies, to make progress together based on mutual benefits and win-win situation so as to ensure the steady.



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 makes its due contributions to the society.



The Group makes the business bigger and stronger, creates more wealth for the country, pays more taxes, offers more job opportunities, and assumes corporate social responsibilities.

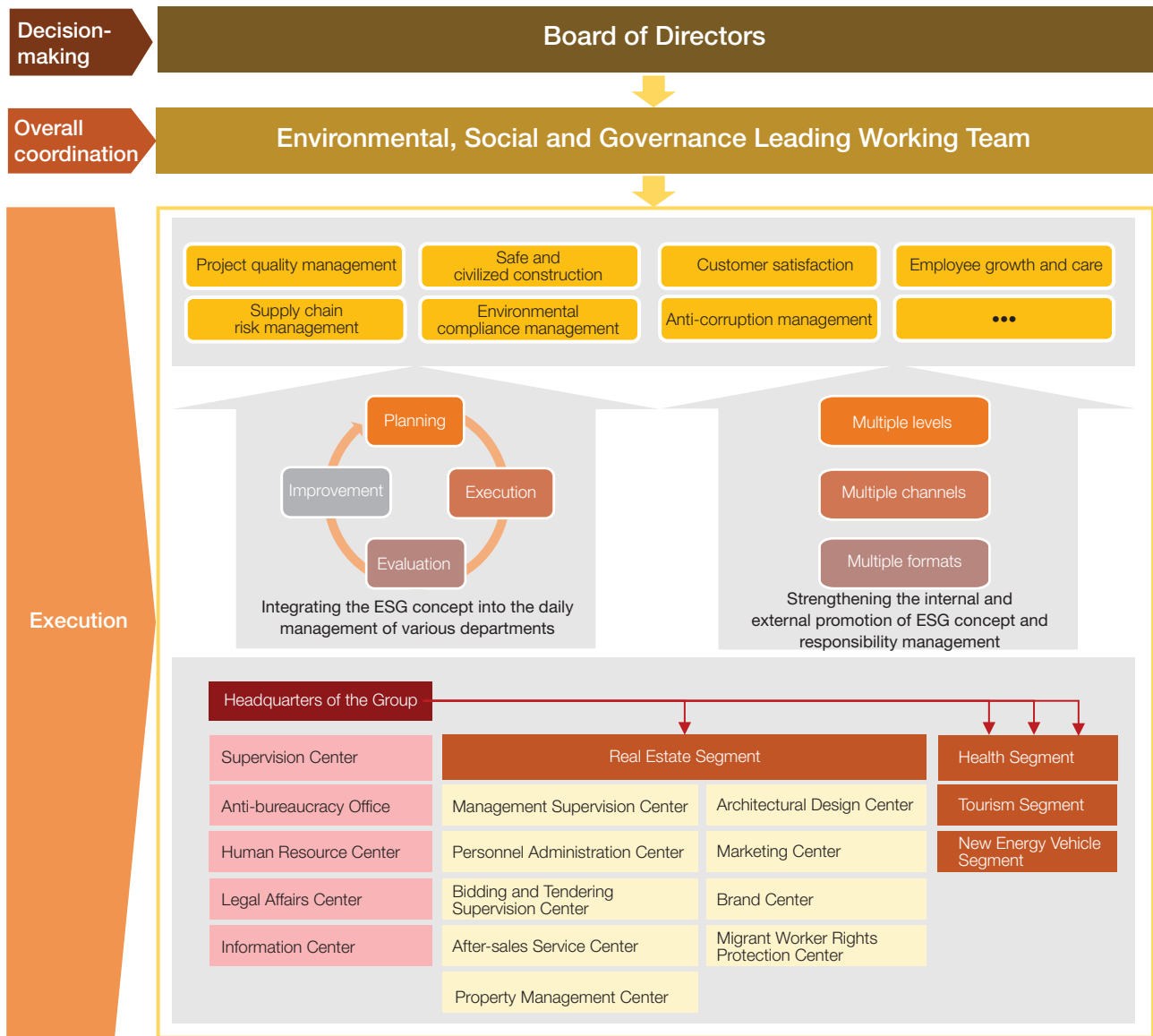
SUSTAINABLE DEVELOPMENT GOVERNANCE

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 Nomination Committee, 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. For more information on the Group's Board of Directors, corporate governance structure, risk management and internal control, please refer to the sections headed "Board of Directors and Committees" and "Corporate Governance Report" in China Evergrande Group 2019 Annual Report published on the Group's official website: <http://www.evergrande.com/> or the website of HKEX: www.hkex.com.hk.

The Group attaches great importance to environmental, social and governance risk management, as it was well aware of the possible impact of ESG issues, such as housing quality and safety, social input 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 brand reputation. The 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 environmental, social and governance reports. The 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.

The Group has set up an environmental, social and governance leading working team, which makes overall plans for and coordinate ESG management and reporting, integrated ESG management requirements in various fields into the daily management of the corresponding functional departments, promoted the concept of social responsibility to its internal employees, external partners and other parties through multiple levels, multiple channels and multiple ways, established a sound corporate culture and industry environment for the performance of social responsibility, with a view to continuously improving cultural appeal and brand influence, and laying a good foundation for systematically promoting social responsibility.

ESG Philosophy and Governance



Stakeholder Engagement

CONTINUOUS COMMUNICATION MECHANISM

The participation of stakeholders helps us examine our own sustainable development capabilities and achieve harmonious and mutual development. We continue to improve the communication mechanism with the government, investors, shareholders, customers, suppliers, employees and other stakeholders, listen carefully and actively respond to the expectations and demands of various stakeholders, on which we continue to improve our sustainable development strategy and planning, in order to consolidate the cooperative relationship with various stakeholders and jointly seek for sustainable development.

Stakeholders	Major communication channels	Expectations and appeals	Communication and response
Shareholders and investors	Annual general meetings Promotion meetings/roadshows Investor hotline/email Official website of the Group	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	Reporting tax information Reporting information under regulatory requirements	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	Labor union of the Group OA system of the Group Appraisal/performance interviews Employee-caring activities	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
Customers	Official website of the Group Customer visit/satisfaction survey 400 hotline WeChat Official Account Open day activities of construction sites	Product quality and cost performance Customer service quality Customer information security Customers' rights protection	Real estate development for people's livelihood All-round thoughtful services Network security permission settings Compliance marketing
Suppliers and partners	Excellent suppliers commendation meetings Suppliers skill exchange/training sessions Suppliers recruitment field trips Regular inspection and evaluation of suppliers	Integrity cooperation Experience sharing Win-win cooperation Business ethics and credit standing	Establishes responsible supply chain Promotes daily communication Carries out project cooperation Performs contractual obligations in accordance with laws
Community and the public	News report Public information disclosure Official website of the Group/WeChat Official Account	Caring for the poor Support for social welfare Protection of the nature Promotion of social progress	Participates in targeted poverty alleviation Participates in charity events Adheres to green operations Sharing development achievements

MATERIALITY ASSESSMENT OF ISSUES

The Group conducted materiality assessment of annual ESG issues through online questionnaire surveys and face-to-face interviews. Making overall consideration on the interest of stakeholders in various issues and the importance of these issues to the Group's strategy and business, the Group ranked these issues by materiality and determined the focuses of disclosure in this Report in order to address the expectations and appeals of stakeholders with a targeted approach.

The materiality assessment procedures of ESG issues for the current year:

1. Identification of Appropriate Issues

Based on its business development and with reference to the ESG management trends in the industry, the Group updated the list of material ESG issues for the previous year.

2. Online Questionnaire Surveys

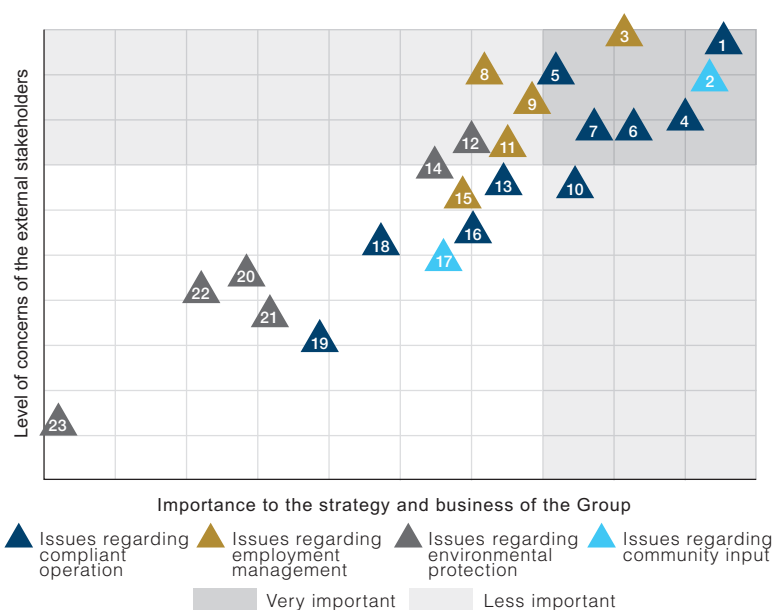
The Group invited internal and external stakeholders to participate in online questionnaire surveys to understand their rating of the materiality of ESG issues and expectations for ESG management of the Group.

3. Determination of Materiality

The Group formed the assessment results of the materiality of ESG issues based on the face-to-face interviews and the results of online questionnaire surveys, and discussed and determined the focuses of disclosure in this Report.

Materiality ranking and matrix of the Group's ESG issues in 2019 are as follows:

Name of Issues	Ranking	Name of Issues	Ranking
Quality of Products & Services	1	Protection of Intellectual Property Rights	13
Policy Response & Participation in Public Welfare	2	Research & Promotion of Green Buildings	14
Protection of Employees' Legal Rights	3	Employee Recruitment & Team Building	15
Operational Performance & Investor Equity	4	Environmental & Social Risk	16
Anti-corruption Management Mechanism	5	Management of Supply Chain	17
Compliance Marketing & Promotion	6	Community Care & Community Service	18
Customer Satisfaction & Complaint Handling	7	Anti-illegitimate Competition	19
Occupational Health & Safety	8	Research and Application of New Techniques	20
Employee Benefits & Care	9	Protection of Ecology & Cultural Heritage	21
Customer Information & Privacy Protection	10	Management of Energy & Resources Utilization	22
Employee Training & Development	11	Sewage & Waste Treatment	23
Use of Green Materials	12	Response to Climate Change	23



In 2019, with reference to the ESG management of the Group, characteristics of ESG information disclosure in the industry and development trends of ESG investment, we added five issues to the list of the materiality of ESG issues, namely Use of Green Materials, Employee Welfare & Care, Community Care & Community Service, Research and Application of New Techniques, and Protection of Ecology & Cultural Heritage. Upon assessment, it was found that the stakeholders concerned about two issues the most during the year, namely Quality of Products & Services and Policy Response & Participation in Public Welfare, which was basically the same as those of last year.

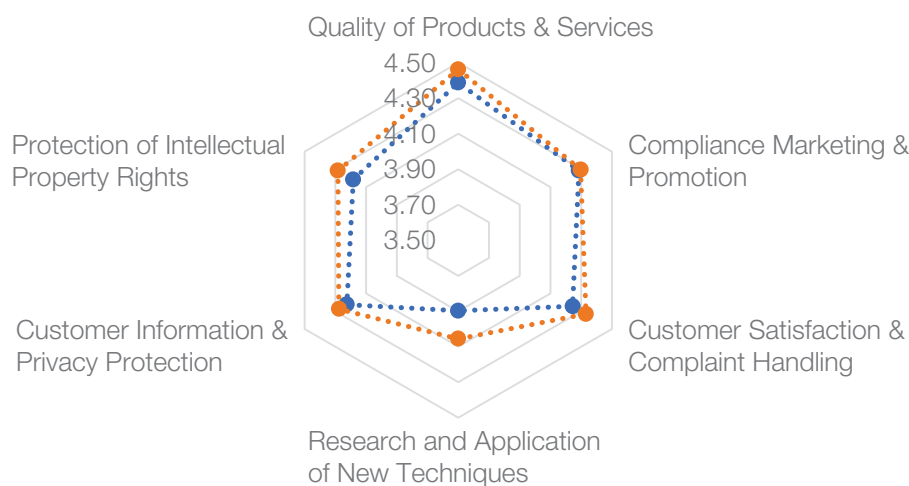
In the following sections of this Report, we will disclose the Group's management measures and performance on the above material ESG issues to address the concerns of various stakeholders. Meanwhile, taking the materiality assessment results of ESG issues for the year as an important basis for our environmental, social and governance planning in 2020, we will continue to improve the relevant management policies and systems and enhance our performance in sustainable development, so as to share with all stakeholders the economic, social and environmental values created.

Helping People to Live in Contentment

Quality and safety of housing, quality of property service are closely related to the well-being of the general public. The Group shall abide by the relevant laws and regulations of housing design, construction, sales and after-sales service, including but not limited to: I) the relevant requirements regarding quality and safety management of construction projects under the laws and regulations including the Construction Law of the People's Republic of China and the Safety Production Law of the People's Republic of China to avoid delays in construction due to violations or economic losses and reputation damage due to casualties; II) the requirements regarding the protection of customers' legal rights and interests including the Advertisement Law of the People's Republic of China and the Law of the People's Republic of China on Protection of Consumer Rights and Interests and the regulations in the fields of information security and intellectual property rights to conscientiously conduct business operations to avoid litigation or falling into public crisis due to violations of regulations.

Meanwhile, the Group shall closely follow the development trends such as smart community construction and continuously improve the quality of its products and services in order to effectively meet the needs of customers for living in contentment and enhance its competitiveness.

CONCERNS OF STAKEHOLDER



●●● Internal Stakeholders ●●● External Stakeholders

Only when our products are recognized by consumers, we can have a good reputation and it will form a virtuous circle for the development of the Company, making it better and better.

— A management personnel of the Group

The industry environment constantly changes. Although the competition is fierce, there is always demand. Only excellent products and meticulous services can survive in the market.

— A management personnel of the Group

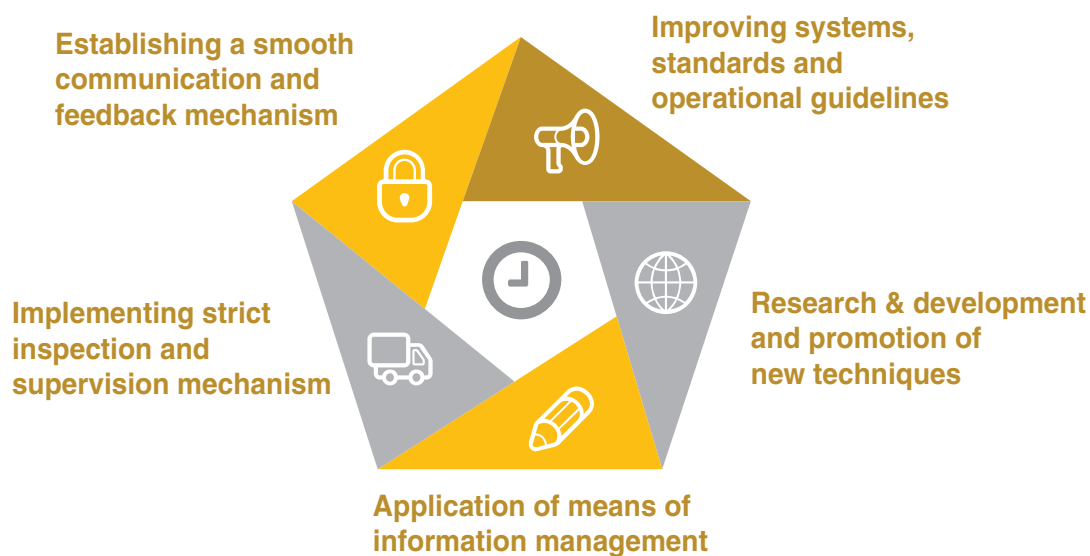
As a strategic partner of Evergrande, its compliance operation can promote both companies to achieve better development.

—A supplier of the Group

Source of data and information: Results of Materiality Assessment of ESG Issues in 2019

OUR STRATEGY AND ACTIONS

We understand the importance of housing quality and service quality to the sustainable development of the Group's business. Adhering to the corporate mission of "building the brand with quality and establishing the enterprise with integrity", we implement the excellence strategy and strive to help residents to live in contentment. To this end, we implemented a quality control mechanism covering the whole process, and focused on implementing quality management measures from the following directions.



PERFORMANCE FOR THE YEAR

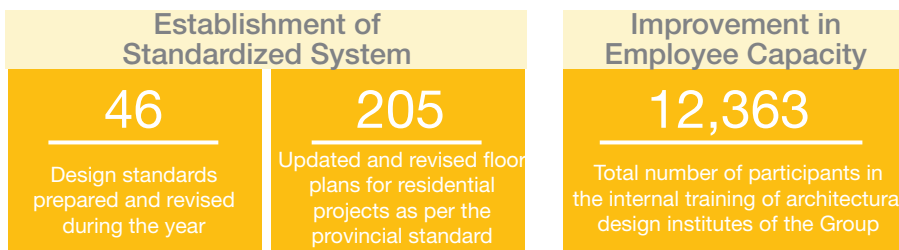


PROJECT QUALITY MANAGEMENT

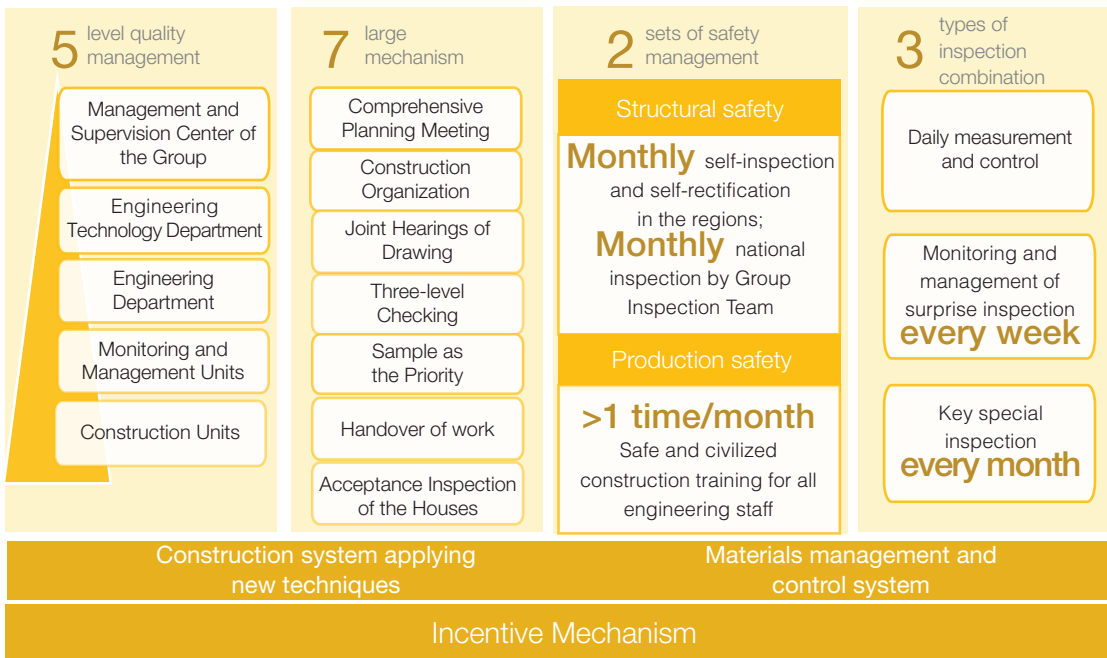
The Group strictly implements the requirements of internal systems for project quality and safety management such as the Management Rules for Designing of Real Estate Group and the Safe and Civilized Construction Standards. The Management and Supervision Center, the Architectural Design Institute and other departments jointly managed and monitored the project construction quality to ensure the housing quality and improve the quality of life of the owners. The project quality management mechanism of the whole process we implemented is as follows:

Design

Three-level construction drawing quality management and control mode
i.e. "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".



Construction



Before delivery



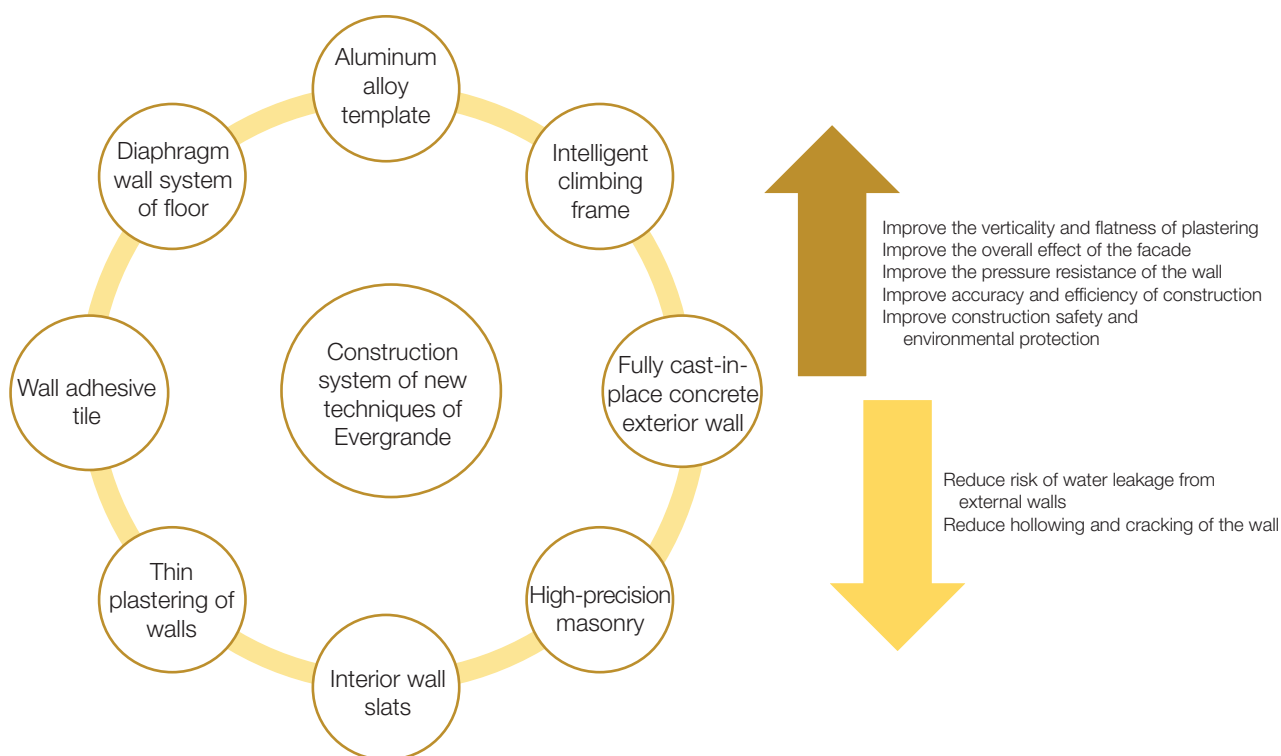
After delivery



Construction System Applying New Techniques and Application of BIM technology

The Group attaches great importance to the research and standardization of construction technology, and strives to continuously improve project quality through the high degree of penetration and fine management of each technique. Currently, the Group has completed the construction of five new technique research and development bases, and gradually promoted the application of construction system applying new techniques of Evergrande.

	Provinces covered	Projects covered	Floor area (0,000 m ²)
Pilot construction system applying new techniques in 2019	26	144	1,795



Meanwhile, the Group has commenced promoting the Building Information Model (“BIM”) technology since 2016, using the technology to integrate, share and transmit project information throughout the life cycle to enhance design efficiency, reduce image recognition errors, accurately control materials and shorten construction period, and ensure quality of property management and equipment maintenance, etc. Up to now, the total construction area of the Group’s public construction projects using BIM technology has reached approximately 1.668 million square meters, and the residential projects are carrying out the pilot application of BIM positive design.

Case study: BIM 3D Cloud Design Platform of Decoration Design Institute



The platform has functions such as online design, one-key generation of decoration standard construction drawings, renderings, and panoramic roaming drawings. It can quickly and accurately complete the model building, decoration construction drawings, renderings and panoramic roaming drawings of decoration design modeling. The decoration construction drawings generated by the platform costs a short time with high accuracy, and its work efficiency is 2-3 times higher than the traditional model. The design cycle has been shortened from 7 days to 3 days, and the average number of errors of drawings has been reduced from 10 or more to 3 or less, which have significant helped in design, construction and project management.

Project Safety Management

The Group attaches great importance to project safety management. The Management and Supervision Center and supervision companies are responsible for supervising, guiding and inspecting the safety construction standards of each regional company. The managers of the engineering department of the regional companies are the first persons responsible for safety and civilization, and have the overall responsibility for the safe and civilized construction of the local projects to ensure the safety of the project construction. The two main areas of the safety production management of the Group include:

Safety construction inspection

Through video surveillance and on-site inspection, the Group strictly investigates the implementation of relevant safety requirements such as foundation pit and slope support, large mechanical equipment, high formwork, fire protection, external scaffolding, construction electricity, and construction enclosure.

Monthly inspection and rectification of safety and civilized project construction by the engineering technology department

The Management and Supervision Center conducts special monthly inspections of major safety hazards on site

During the year, among annual inspection of safe and civilized construction:

169 thousand problems were found

5,113 persons were punished

Safety construction education

The Group organizes all employees of the engineering department to conduct safety and civilized construction training more than once a month. Regional companies set up safety education zones on the construction site to organize safety training and drill activities from time to time, and do daily publicity and protection work.



Experience area of seat belt use



Experience area of hard hat crash



Safety education area



Pre-work education

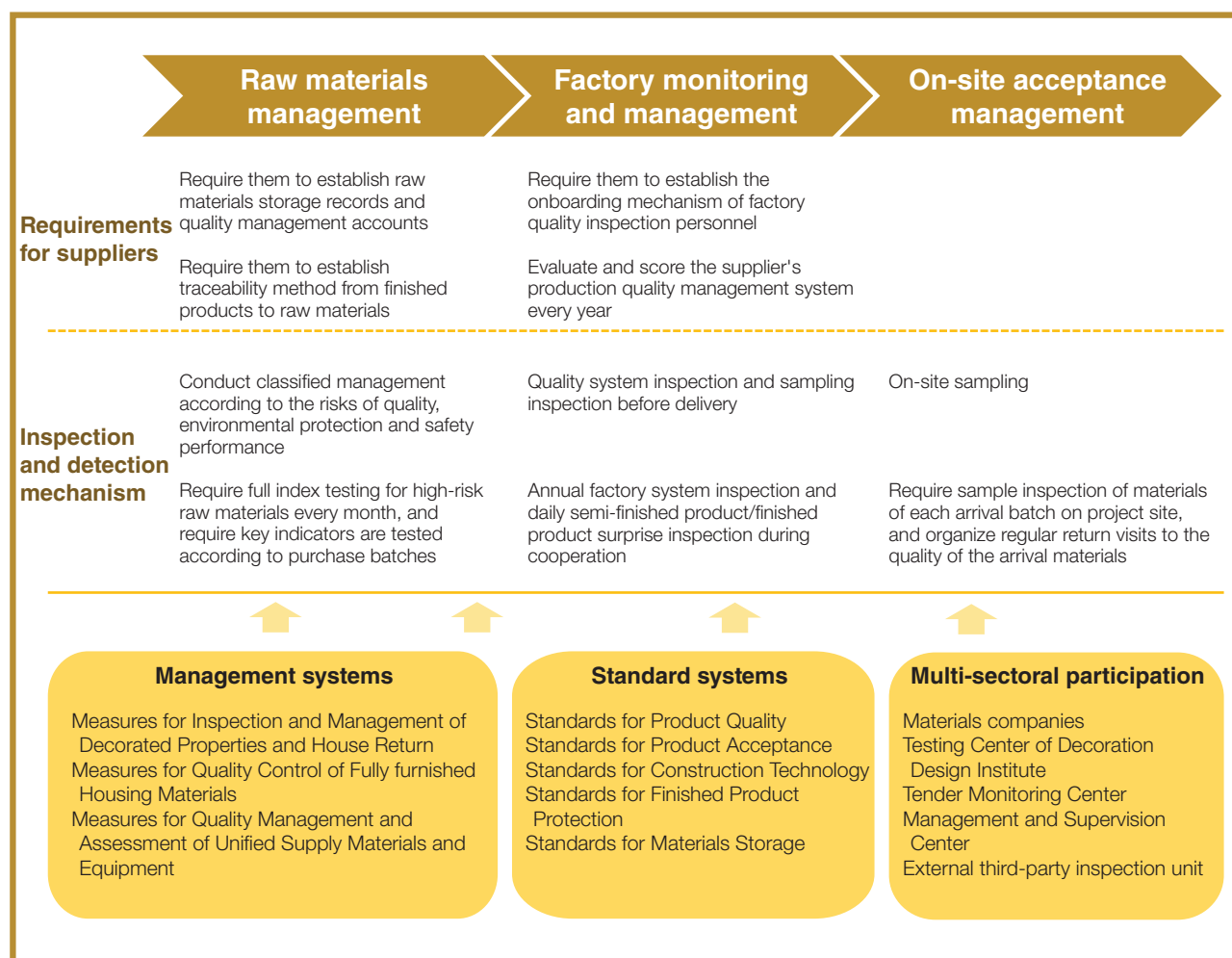
In 2019, the Group implemented the “Structural Safety Year” activities, which required various regional companies to carry out self-inspection and self-correction on structural safety, material and equipment inspection, and product standardization implementation each month; carry out nationwide inspections and require the engineering department to formulate and implement rectification plans for problems found during inspections. The national inspections in 2019 are as follows:

398 thousand issues found
9,376 persons were punished

Completion rate of rectification of general issues **100%**
100% major issues was incorporated into the rectification plan and was kept track of the rectification situation

Materials Quality Control System

The Group attaches great importance to materials quality control, implements unified procurement and supply of main materials and materials, and implements strict materials quality control measures to ensure the quality, environmental protection and safety performance of the materials used, creating a healthy and safe living place for owners.



Helping People to Live in Contentment

In particular, for the sampling inspection mechanism, in addition to further implement the blind sample inspection and sampling separation system, we also implemented a new sampling inspection management model for the year, namely changing to sampling from factories in principle instead of the original method of on-site sampling, in order to further control the quality of the materials from the source in factories. The implementation of our unified material testing in 2019:

Sampling for inspection of
11,613 batches

Inspection fee of approximately
RMB38 million

Passing rate of test
98.05%

Risk Inspection

In the stages of launching, adding supply, and housing delivery, the Group conducts customer complaint investigations for hidden risks in advance, so as to identify and deal with the hidden risks early and further improve the quality of house delivery. Our risk detection tools and annual work progress are as follows:

INVESTIGATION TOOL FOR HIDDEN RISKS

Checklist for Risk Assessment of Launch/Additional Supply
Checklist for Hidden Risk Assessment of Housing Delivery
Summary Table of the Risk Checking for the Launch Across China
Summary Table of Risk Investigation of Housing Delivery Across China
Checklist for Complaint Risk Investigation Form Across China

Annual Risk Investigation

Inspection and self-rectification of monthly projects:

- covered **631 projects** across China
- **6,349 issues** found
- Completion rate of rectification **80.84%**

Inspection and special inspection of risk pre-control group:

- covered **319 projects** across China
- Issuing **531** Rectification Order for Risk Hazard
- Completion rate of rectification **80.02%**

Open Day Activities for Owners

During the year, the Group carried out “Owners Open Day” activities for owners of houses that have been purchased and pending delivery in order to understand customers’ concerns about fine decoration and gardening in advance, and using customer perspectives to facilitate rectification and quality improvement before delivery.

In 2019, we carried out “Owners Open Day” activities for a total of **8 projects** and invited **2,800 groups of property owners** to experience the fine decoration quality and real garden quality of their purchased houses in advance to enhance customer recognition.



In “Owners Open Day” activities of Baotou Evergrande Jade Court Project, there was a total of 611 households of visiting customers.

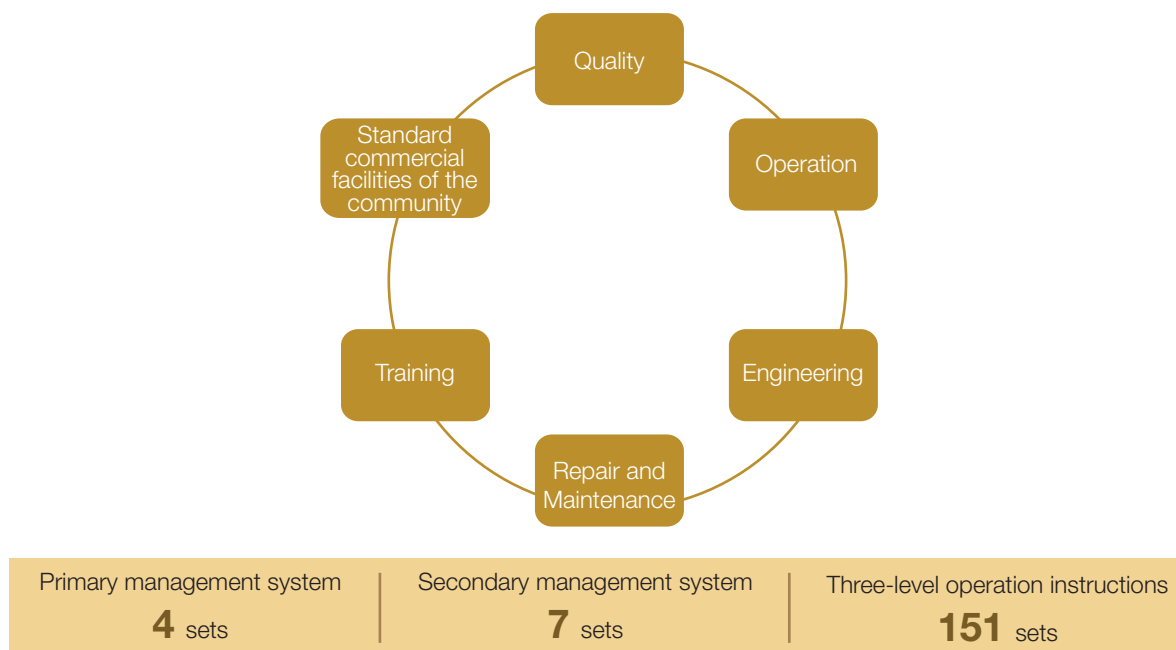
IMPROVEMENT IN PROPERTY SERVICE

Adhering to the service concept of “caring service and sincere companionship”, guided by the needs of the owners, the Group is committed to “large-scale development, standardized operation, professional services, and intelligent management” to create the blessing community of the most habitable value and humanities that satisfy the owners. At present, Jinbi Property Co., Ltd. (“Jinbi Property”) under the Group, which specializes in property management services, has obtained the qualification of national first-class property service enterprise and ISO 9001 quality management system certification.

Standardized, Professional and Smart Service

In 2019, the Group comprehensively revised the three-level management system of the property system to further standardize and regulate property management services.

Standard system of property system



The Group emphasizes caring, efficient and professional property services, pays close attention to the overall service awareness and service quality, and implements a series of measures such as 24-hour butler service, project quality inspection, and “1530 rapid response mechanism” to comprehensively improve the quality of life of owners.



Caring

- Each property owner is equipped with an exclusive caring housekeeper;
- “one-on-one, one-stop” housekeeping service;
- 24-hour duty system.



Efficiency

It has established a “1530” quick response mechanism for owners to ask for repairs with “1 minute record”, “5 minutes to arrive”, “start maintenance within 30 minutes”.



Professionalism

Environmental management

Two comprehensive quality inspections for projects each quarter
Survey on satisfaction of monthly project

- “Spring Bud Action” **2,049** National Fire Fighting Trainings
- “**119**” Fire protection campaign: **644** drills, involving approximately **25 thousand** staff and **30 thousand** property owners
- Films and television dramas of fireman **1,775 scenes** Property owners who watched the videos more than **90 thousand persons**

Order security management

Engineering equipment management

Implement annual and monthly maintenance plans
Application of dedicated equipment and facilities management platform

- Online management of important equipment such as elevators and air conditioners
- Elevator maintenance and repair for the year **805,104 times**

The Group actively responded to the national call for the construction of smart community, actively upgraded the intelligent standards of key systems such as sidewalk gates and parking lot management in existing communities, and connected intelligent subsystems through a smart community management platform to improve management efficiency; promoted “Evergrande Smart Community” APP, which realizes many intelligent and convenient services such as visitor invitation, remote door opening, code scanning and charging. Up to now, eight projects of the Group, including Dongguan Evergrande Royal Garden and Ningbo Evergrande Landscape City, are undergoing pilot transformation of smart communities.

Travel convenience: Owners can use face recognition, QR code and other methods to pass through the sidewalk gate, unit access control and ladder control, providing good home experience; use the license plate recognition to pass the parking gate with payment in advance, achieving contactless travel; they can use the “Evergrande Smart Community” APP to share QR code for visitor invitation.



Intercom access control with camera



Sidewalk gate with face recognition



Parking barrier with license plate recognition

Smart security: Clearer cameras are installed in the community with higher density, and face recognition cameras are installed at the primary and secondary entrances, and motion recognition cameras are used in the perimeter of the park to achieve early warning of overturning and improve the security of the park through the real-time monitoring and control center and display center.



Fire Control Center



Display Center

Helping People to Live in Contentment

Sharing Community Culture

The Group pays attention to the building of community culture. In 2019, a series of community cultural activities were carried out nationwide with the theme of “Friends, Neighbors and Love”, aiming to promote the traditional Chinese culture of respecting the elderly and loving young people and the concept of healthy life for creating a harmonious, civilized, happy and loving community surroundings.

● March – April

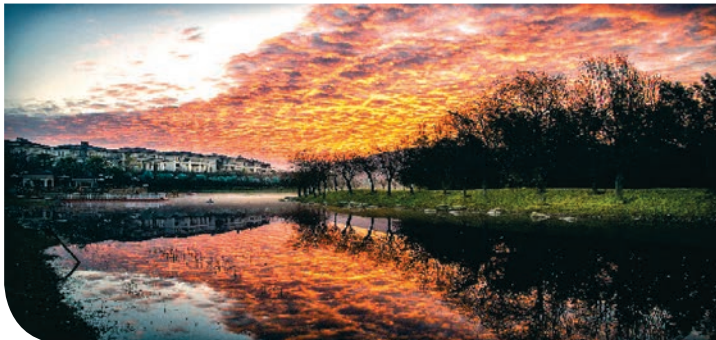
Public Fitness Activity “Friendly Neighborhood and Happy Fitness with Evergrande”

Covered **464** projects
 Held **2,198** activities
 Number of participants **216,262**



● May – July

“Friendly Neighborhood and Impression of Evergrande” National Photography Contest



Covered **488** projects

Held **516** activities

Number of participants **25,576**

Received **9,076** photos

● July – August

Summer Special Event “Friendly Neighborhood and Experience Camp for Small Owners”



402 projects, **492** activities

● August – October

Friendly Neighborhood and Activity of Filial Piety and Respect for the Elderly of Evergrande



1,283 activities, more than **100 thousand** participants

November 2019 – February 2020

Happy Home Activity “Friendly Neighborhood and Warm Winter of Evergrande”

A total of six series of activities in three chapters “Happy Family” (幸福家), “Heart Care Society” (心繫社會) and “Warm Home” (溫暖家園) are in full swing.

Helping People to Live in Contentment

The Group also carried out themed activities in conjunction with the Dragon Boat Festival, National Day and other holidays, promoting traditional festivals and food culture to the owners and patriotic spirit, etc., in order to enhance communication between the owners and enhance the sense of belonging of the owners community.



Activities of Dragon Boat Festival



Celebration of the 70th anniversary of the establishment of the People's Republic of China

Meanwhile, the Group actively combined the needs of local community development and management, explored the integration and collaboration model of the community grid and property management area, and carried out cultural activities such as “Red Property” community to provide more value-added services for community management and residents' daily life.

Characteristic cultural case Study in the community: “Red Property” Community



Jinbi Property implemented “Red Engine Project”, which has promoted the community to build a property party branch, established a property service team “54321” rapid response mechanism, explored the integration of community grid and property management area, conducted pilot “three generations” service mechanism, participated in the street “co-governance of Four waters” and the creation of civilization, carried out activities such as cleaning, maintenance and volunteer services to the old surrounding communities, provided value-added services to benefit the public, and actively implemented social responsibilities. Up to now, Jinbi Property has established 167 “Red Property” communities of Evergrande.

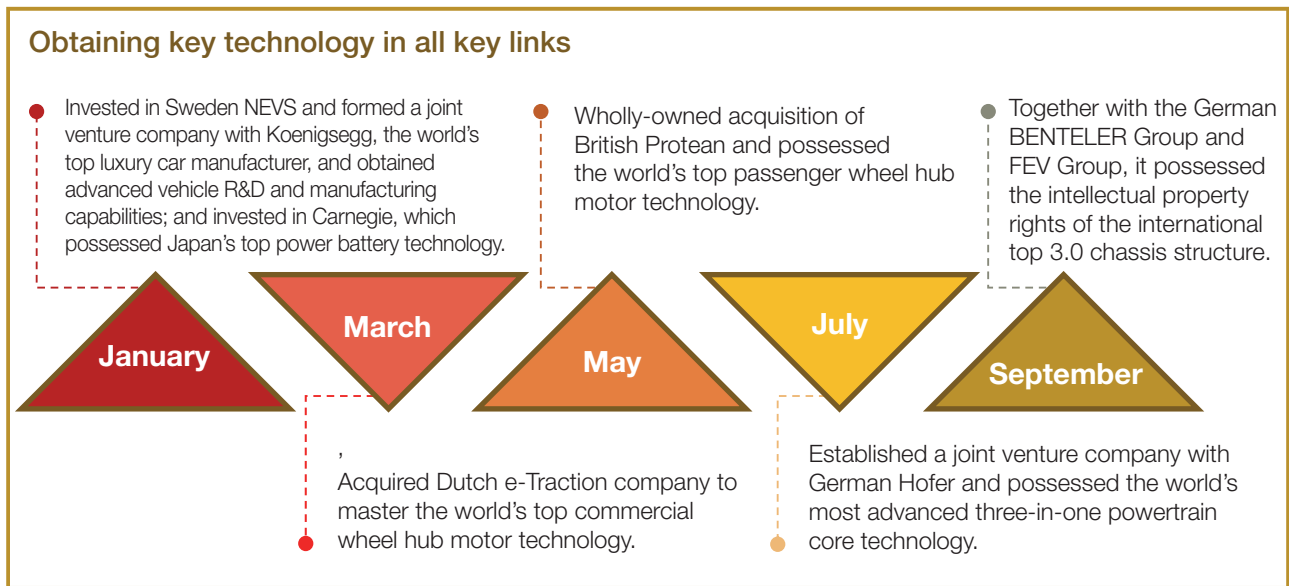


PROMOTION OF INNOVATION AND DIVERSIFICATION OF PRODUCTS AND SERVICES

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. It is committed to building a better living home for customers, while actively focusing on the green travel and cultural tourism of the general public, health care for the elderly, home decoration, and other related industries. The Group constantly innovates service models and promotes service diversification, with a view to meeting customers’ needs for improving the quality of life.

Accelerating Layout of the Whole Industrial Chain of New Energy Vehicle

The new energy vehicle industry is one of the national strategic new industries and an important way to promote the green transformation of the economy and society. The Group actively responded to the national policy call for a new energy vehicles industry, accelerated the layout of the new energy automobile industry, and helped the country transform into a strong automobile country. At present, the Group has the world’s top technology in all key links of new energy vehicles, and has deployed a number of production bases across China in accordance with Industry 4.0 standards. These bases have been constructed to cover the whole industry chain of new energy vehicles in the field including vehicle manufacturing, powertrains, power batteries, car sales, smart technology, etc..



Unveiling of new energy automobile brand “Hengchi” of Evergrande

On 28 August 2019, in the quarter-final of the AFC Champions League, the new energy automobile brand “Hengchi” officially debuted.

The world premiere of super sport car Gemera

On 3 March 2020, Switzerland time, the first product of the Group and Koenigsegg after the establishment of a joint venture company super sports car Gemera, the world’s top new energy automobile, made its world premiere in Geneva.

Building the Top Cultural Tourist Resort with Integration of Multiple Facades

With the rapid development of the national economy and the gradual transformation of consumer demand, people have put forward more and more detailed and diversified requirements for the quality of leisure tourism and cultural experience. The tourism sector of the Group actively built “Evergrande Fairyland”, “Evergrande Water World” and “China Hainan Ocean Flower Island” to satisfy customer needs and strive to make tourists enjoy the global fun and enjoy the charm of art.

“Ocean Flower Island” in Danzhou, Hainan is the reconstruction of the world’s cultural and tourism deployment of the Group, covering 28 major facilities including the International Conference Center, museum cluster, Fairytale World, Water Park, Ocean Park, International Shopping Center, modern hotel cluster and Botanical Museum. It is committed to building an alluring cultural tourist destination for people all over the world, continuously enriching and enhancing the travel experience of the vast number of tourists, helping to meet the spiritual and cultural needs of modern people.



Fairytale World



Folk Museum



Commercial Street with multinational features



Fitness center

Original creation of “Evergrande Healthy Valley”, creating a new chapter of comprehensive healthcare and wellness system for all ages

“Evergrande Healthy Valley” of the Group creates a comprehensive all-aged health and wellness new life, a new model of high-precision and multidimensional health management system, a new high-quality and multi-level health care method, a new system of full-cycle highly secured health insurance system, and the health membership mechanism with new multi rent-and-purchase mode. We originally created four major parks, providing 852 facilities and 867 services. Evergrande International Hospital (the only affiliated hospital of Brigham and Women’s Hospital in China) and Evergrande Nursing Home integrated international and domestic excellent hospitals, nursing homes and other resources to create a large-scale and high-grade health care and retirement resort in China, starting a new chapter of comprehensive healthcare and wellness system for all ages.

Helping People to Live in Contentment

The Elderly Care Park (頤養園)
Combination of medical and nursing

The Fun Park (長樂園)
Combination of culture and entertainment

The Sports Park (康益園)
Exercise and fitness

The Kid Park (親子園)
Family fun



It provides high-precision and multi-dimensional scientific life management services. It is equipped with diversified health care venues such as Chinese Medicine Hall, Zen Meditation Hall, Meal House, Medical Beauty Center, Chinese Martial Arts Hall, and Yangxin Hall.

It provides high-quality health care methods. It is equipped with senior school, chess club, pet club, Classical Chinese Music club, singing club, Studies of Chinese Ancient Civilization Hall, Sunshine library and other cultural places.

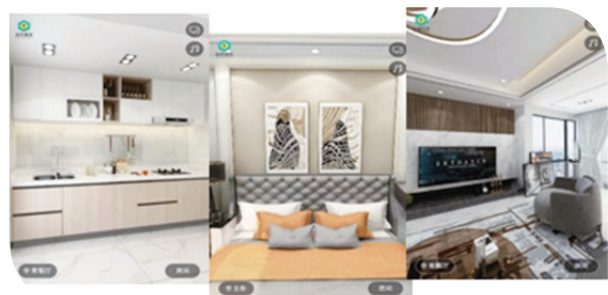
It conducts in-depth study of sports medicine, provides scientific guidance by professional private teachers, provides personalized sports fitness programs, and it is equipped with fitness centers, somatosensory sports halls and other fitness venues and facilities.

It has kid talent center, kid water world and other places. It regularly holds parent-child activities, cross-border exchanges among university students, public welfare activities to build a cross-generation social circle, and promote the harmonious lifestyle of the elderly and the youth.

Actively creating an intelligent and convenient community life experience

Hengten Networks Group Limited (HK.0136) (“Hengten Networks”) under the Group relied on massive community resources and integrated high-quality supplier resources to build three main businesses of Internet community service, Internet home furnishing, and Internet material logistics. The Group strived to create an intelligent and convenient community life experience for community owners and create mutually beneficial and win-win open sharing models for corporate customers, and provided consumers with cost-effective products and services.

The small program “HengTen Mimi Home” (恒騰蜜家商城) integrates high-quality brand manufacturers, distributors, decoration companies and senior designer resources to provide customers with one-stop services from design, material selection, distribution, installation to after-sales. This small program can realize the functions of 3D whole house roaming house design plan browsing, one-click generation of product lists used for design elements, and greatly enhance the customer shopping experience from the perspective of scenes and convenience.



MANAGEMENT OF CUSTOMER RELATIONSHIP

Survey on Customer Satisfaction

In order to gain insight into the customer's living requirements, the Group conducted surveys on service satisfaction for sales and property services, and actively understood customers' satisfaction and suggestions on the Group's integrity sales, home consultant service quality, community environment and safety management, etc. in order to further improve customer satisfaction. Among them, in response to the results of survey on property satisfaction, the property management center of the Group conducted a special analysis every quarter and organized a national special meeting to improve satisfaction. It required the regional property companies to rectify the problems reported by the owners in accordance with their own actual conditions. The Group monitored and inspected the results of regional rectification from time to time to ensure that the rectification measures were properly executed.



Customer Complaint Handling

The Group attached great importance to customer complaints the handling, and revised and promulgated the "After-sales Service Management Measures of Real Estate Group" for the year to improve the supervision and management mechanism for major complaint handling, promote regional companies to pay attention to and effectively resolve customer complaints, and promote the satisfaction of customer complaint groups.

The Group has set up a 24-hour customer service hotline, WeChat official account, project property reception desk and other channels to receive customer complaints and comments. After receiving the customer complaint, the after-sales center of the Group analyzed the content of the claim and issued the "Demand Form", "Customer Complaint Supervision Order" and "Customer Complaint Supervision Letter" according to the level of the request and supervised the relevant functional departments to follow up and deal with it; only after the customer complaint is resolved and the customer is satisfied, can the customer complaint work order be closed.

Case study: WeChat official account of customer service of Evergrande Real Estate

In order to facilitate customer complaints and improve the efficiency of receiving and handling customer complaints, the Group attaches great importance to the construction of after-sales service information. Since the end of 2016, the Group has launched WeChat official account of customer service of Evergrande Real Estate to achieve the functions of online customer service consultation and complaint acceptance, self-repair of certified customer and self-service complaints, non-certified owners' claims acceptance and others. Up to now, the official account has a total of 518,000 followers.



In 2019, the real estate sector of the Group issued customer complaint supervision orders. Their handling status is as follows:

16,176 complaint handling supervision orders issued

Satisfaction score of complaint handling is **4.2 (0-5)**

Completion rate of complaint handling **88.6%**

Protection of Customer Basic Rights

The Group attached great importance to the establishment of the corporate image of “integrity sales” and implemented internal policy documents such as the Measures for Marketing Management of the Real Estate Group and the Notice on Further Regulating Integrity Sales Management. The Group is committed to creating an open and transparent sales environment to protect the interests of buyers and guard against brand risks after sales. Our main initiatives include:

Standardized and transparent disclosure of information

- Formulate “Special Reminder for Project Housing Purchase” and implement it across China;
- Formulate the public standard “guaranteeing no reason house return” for sale case;
- It is required to give special reminder on various objective factors of real estate, including but not limited to the objective factors inside and outside the red line.

Review and monitoring of marketing speech and daily training of marketing personnel

- It required compiling the “Sales 100 Questions and Answers” for each project according to the actual situation, and conduct training and regular assessment of the sales team;
- Daily sales meetings were held for each project to strengthen the speech training of property consultants and emphasize integrity and compliance marketing.



Strict review and approval of advertising materials

- All external advertising materials must be signed by the heads of the relevant departments of regional companies, including marketing department, the general office. These materials can only be used after reporting to the head of the regional company marketing supervisor for review and signature.

Meanwhile, the Group attaches great importance to the protection of customer privacy and information security, has formulated and implemented the Confidentiality System of Evergrande Group, assigns personnel to be responsible for the transmission, printing and distribution of confidential data, and strictly controls the number and scope of data distribution; the Group also strictly restricts all types of information that carries customer information; trains employees who have access to customer information to improve their customer information protection awareness and avoid potential customer privacy breach and information misuse.

In addition, the Group strictly abides by regulations on network operation security and network information security set out in the Cyber Security Law of the People’s Republic of China and ensure the safe operation of information systems and prevent the steal and tamper of customer information through information system environment access and duty mechanisms, regular inspections of hardware and software and disaster recovery management, databases and documents encryption, user rights setting and management, application and front-end App packaging, regular system vulnerability scanning and repair, system security penetration testing, information system review and other management and technical methods.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

In order to effectively protect intellectual property rights, the Group has formulated and implemented the Intellectual Property Management System of Evergrande Group and internal operational guidelines for intellectual property work and other system documents. The Group's Legal Affairs Center is responsible for intellectual property declaration and information management, and set up full-time positions of intellectual property administrators to work in various subordinate units in order to continuously strengthen the scientific effectiveness of the intellectual property management system. Meanwhile, the Group has used the intellectual property information management system to improve management efficiency and data security, track competitors, industry and market development trends in a timely manner, and avoid risks related to intellectual property rights.

In addition, the Group has continuously strengthened the intellectual property management professionalism through various methods such as intellectual property administrator training and agency assessment mechanism of intellectual property service. Up to now, the Group has registered more than 3,000 valid trademarks.

Case study: Related Training of Intellectual Property Rights



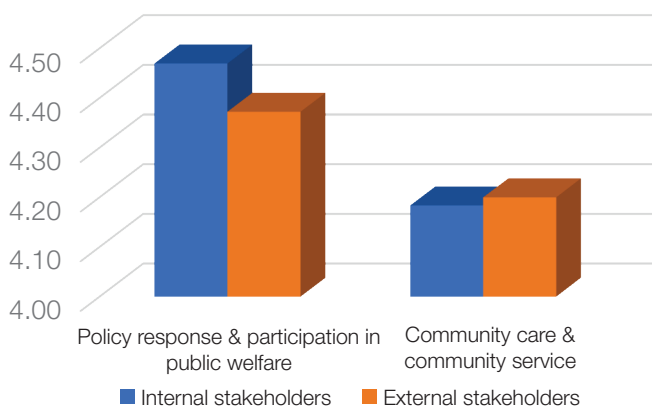
In 2019, the Group organized two thematic trainings for legal system administrators of intellectual property rights of the Group. The training topics were layout of trademark management and overseas intellectual property, aiming to enable employees to have a basic understanding of the importance of corporate intellectual property protection, understand the profile of intellectual property rights in the system of the Group, become familiar with the intellectual property management of the Group, and master the trademark administrative procedures and litigation process, improve the ability to handle trademark business, and establish a sense of responsibility for intellectual property and brand protection at the same time. Among them, the total number of participants in the two trainings reached 55, and the training hours were 2 hours/time.



Dispelling Worries and Relieving Burdens of People

Helping people in trouble and the poor has always been the traditional virtue of China. Since the 18th National Congress, the State has been regarding poverty alleviation as the bottom-line task and indicator for achieving the construction of a moderately prosperous society, aiming to win the battle of targeted poverty alleviation with its full strength. A prosperous country and a stable, rich and strong society are the foundation for sustainable operations of enterprises. Enterprises should never forget the origin and should proactively perform social responsibilities, so as to promote economic and social development as well as to build up brand reputation.

CONCERNS OF STAKEHOLDERS



The development of the Group is inseparable from the support and care of the Party and the State. Large enterprises must also give back to the society while developing themselves.

— A middle-level management personnel of the Group

Only enterprises that actively undertake social responsibilities can gain people's trust.

— A customer/property owner of the Group

Source of data and information: Results of Materiality Assessment of ESG Issues in 2019

OUR STRATEGY AND ACTIONS

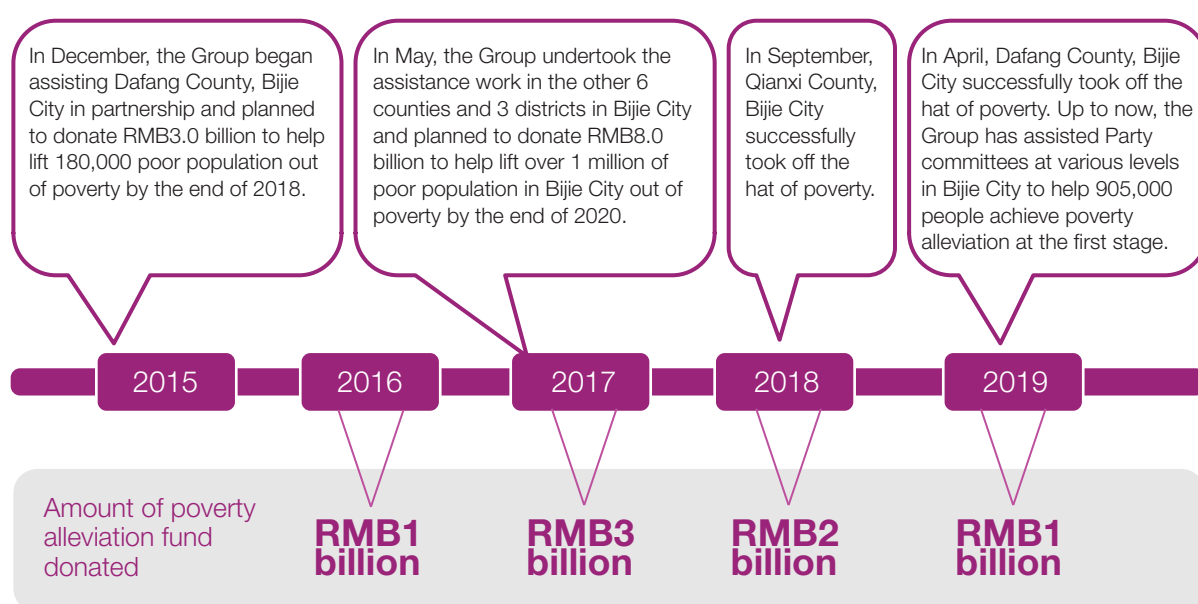
We actively respond to the national call on targeted poverty alleviation policies and uphold the charitable concept of “helping people in trouble and the poor”. Taking the assistance of poverty alleviation in Bijie City, Guizhou Province as the main front for charity input, and actively carrying out charitable donation activities in other provinces and cities and helping the country to promote sports, we assume our due share in the high-quality economic and social development. In particular, for poverty alleviation, we firmly believe that “teaching a person to fish is better than giving him the fish”, and we assist the poverty-stricken regions to enhance their own development capabilities in terms of industrial poverty alleviation, employment poverty alleviation and other areas, thus ensuring the effectiveness and sustainability of poverty alleviation.

PERFORMANCE FOR THE YEAR



TARGETED POVERTY ALLEVIATION IN BIJIE CITY

Wumeng Mountain Area is one of the concentrated poverty-devastated areas with the widest poverty range and deepest poverty level in China; Bijie City is the most impoverished city in Wumeng Mountain Area with the total poor population in the 7 counties and 3 districts in the city reaching 1.1545 million as at the end of 2015. The Group actively responds to the call of the CPC Central Committee and has been assisting Bijie City with targeted poverty alleviation in partnership since 2015. The Group formed a resident poverty alleviation team of 2,108 people in Wumeng Mountain Area, which partnered up with local governmental officers and residents to strive to help lift Bijie City out of poverty by the end of 2020. As of now, the Group's donation of RMB7.0 billion for poverty alleviation had been in place, while Qianxi County and Dafang County in Bijie City had successively taken off the hat of poverty.



Industrial poverty alleviation

We helped Bijie City to develop special industries such as vegetable, beef cattle, traditional Chinese medicine and economic fruit trees, and introduced upstream and downstream leading companies to form an assistance model of "leading companies + cooperation stations + poor families + base". As of now, the following facilities have been built and put into use:

60,980 vegetable greenhouses
 Vegetable field base of **367,000 mu**
 Vegetable seedling center of **288,000 sq. m.**
68 storage and initial processing bases

Beef cattle breeding base with a herd size of **90,000**
 High-yield and high-quality forage base of **310,000 mu**

Traditional Chinese medicine and edible fungi base of **139,000 mu**
 Economic fruit trees base of **230,000 mu**



The vegetable industrial base constructed under assistance of the Group

Relocation poverty alleviation

We planned to help 10 counties and districts in Bijie City to construct 17 relocation communities for immigrants and 50 new villages with educational, commercial and other supporting facilities. Up to now, **194,800 people** in the city have been **relocated**.



Qixingguan Bihai Sunshine City (七星關碧海陽光城) constructed under assistance of the Group

Employment poverty alleviation

We have organized vocational skills training for the poor. At present, we have helped **train 113,217 people** in the city, and recommended a total of **75,462 persons** for employment within and outside the city. The annual income per capita in the city has **reached RMB42,000**.



Evergrande's recruitment and employment training session

In addition, we also implemented educational assistance program and extreme poverty groups livelihood guarantee program in Dafang County, Bijie City, the particulars of which are as follows:

11 primary schools
13 kindergartens
1 combined junior & senior high school
1 institute of vocational technology

have been built and put into use



The Second Primary School of Evergrande constructed under assistance of the Group

1 hospital
1 welfare house for children
1 old people's home

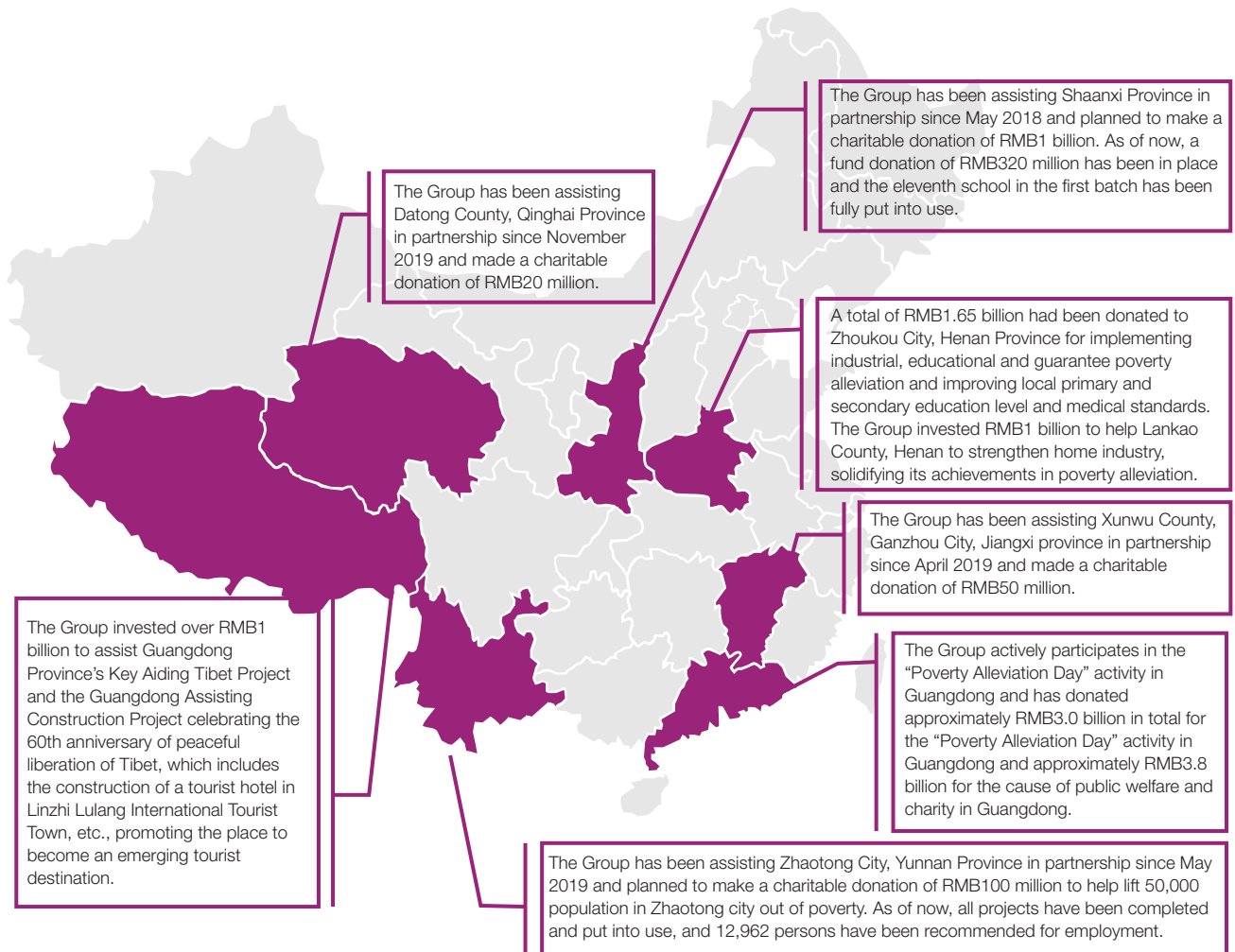
have been completed, delivered and put into use



The hospital constructed under assistance of the Group

OTHER POVERTY ALLEVIATION ACTIVITIES

In recent years, the Group has replicated and promoted its assistance experience in Bijie to help a number of provinces and regions including Guangdong, Henan, Shaanxi, Yunnan, Jiangxi and Qinghai to win the battle against poverty. As of now, our poverty alleviation donations in other provinces and regions are as follows:



ASSISTING THE PROMOTION OF SPORTS

With a professional operation mode and enterprise management intelligence, the Group actively helps the country to rejuvenate sports, in particular football. Since the establishment of Evergrande Real Madrid Football School (“Evergrande Football School”) in 2012, with the purpose of “rejuvenating Chinese football and cultivating football stars”, the Group has implemented internationally leading youth training model, introduced the world’s top coaching team of Real Madrid C.F., built a high-level international competition platform, and cultivated excellent football talents aged 9 to 18. In 2019, Evergrande Football School won 15 championships in various competitions, and 63 students were selected into the national teams at various levels for 119 times.

In 2019, the Group invested over RMB3.0 billion in aggregate to support the development of sports in China and achieved good results:

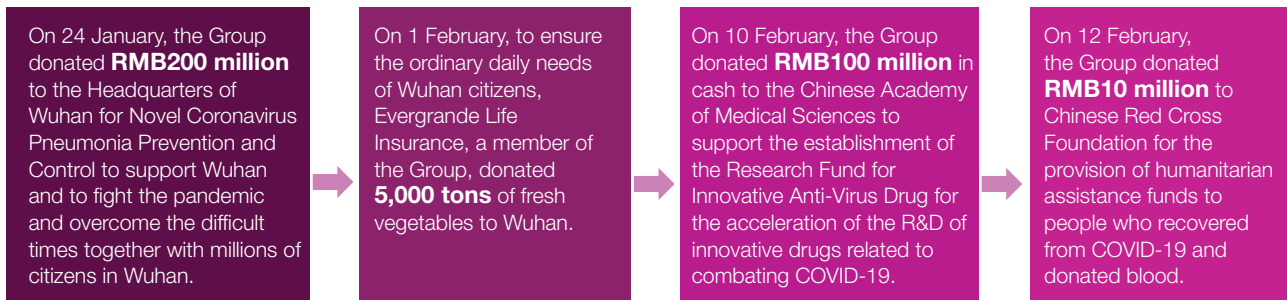
- 1 Guangzhou Evergrande Taobao Football Team won the Champion in the Chinese Super League for the eighth time, setting the record of the first team with eighth trophies in the history of the Chinese Super League;
- 2 The Madrid Football Championship was founded to speed up the cultivation of excellent young football talents;
- 3 The Group hosted the 2019 World Snooker China Championship.



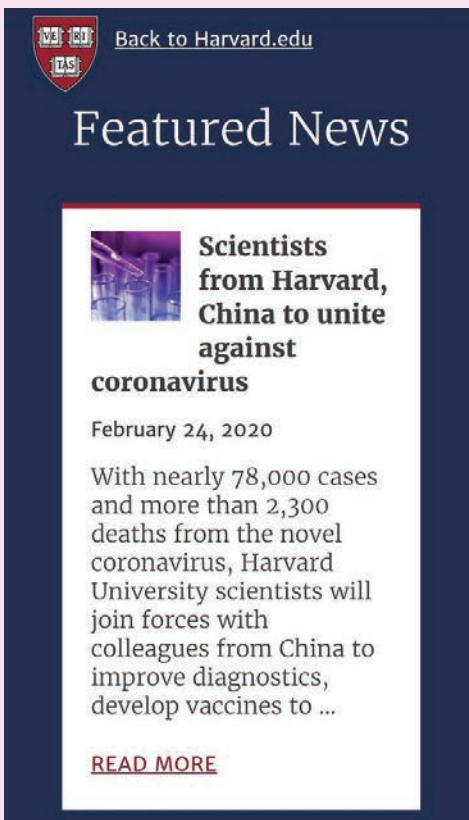
Dispelling Worries and Relieving Burdens of People

HELPING TO FIGHT AGAINST COVID-19

Since its discovery in December 2019, COVID-19 has soon developed into a public health emergency of international and everyone's concern. To help control COVID-19, the Group actively fulfilled its corporate social responsibilities in terms of financial assistance, in-kind donations and scientific research support, and fought against the pandemic together with the whole nation while helping each other. As at the end of March 2020, our major inputs in helping to fight against COVID-19 include:



Jointly carrying out anti-pandemic research with Harvard University and Chinese scientific researchers led by Zhong Nanshan



On 24 February 2020, Harvard University issued an official announcement officially confirming that it is collaborating with Chinese scientific researchers led by Zhong Nanshan to strive to seek together better diagnostic and treatment options against COVID-19. In this collaboration, the U.S. efforts will be spearheaded by scientists at Harvard Medical School, led by Dean George Daley, while the Chinese efforts will be led by the Guangzhou Institute of Respiratory Health and Zhong Nanshan, a renowned pulmonologist and epidemiologist.

China Evergrande Group provided financial support of a total of **US\$115 million** (approximately RMB800 million) for a term of 5 years for this collaboration.



On 23 March 2020, the Group donated **RMB100 million** to Red Cross Society of China and established the International Anti-Pandemic Aid Fund to support the launch of national anti-pandemic aid works by the state.

Integrity Practice with People

Integrity and compliance are the foundation of sustainable development of a company. The Group is subject to the provisions of the Criminal Law of the People's Republic of China and the Interim Provisions on Prohibiting Commercial Bribery and other laws and regulations on prohibiting commercial bribery and fraud, as well as the anti-money laundering requirements under the Anti-money Laundering Law of the People's Republic of China and the Notice of Regulating the Financing of Home Buying and Strengthening Anti-money Laundering Work (Jian Fang (2017) No.215), in order to safeguard the economic benefits of customers, employees and the Company, and facilitate an open, fair and transparent commercial environment.

CONCERNS OF STAKEHOLDERS

The results of the annual materiality assessment indicate that: the issue of anti-corruption management ranks second in materiality among the 10 issues under “compliance operation”, only next to the issue of quality of products & services and operation performance & investor equity, demonstrating a high level of concerns from the stakeholders on the Group's anti-corruption management.

Ensuring an upright corporate environment, lawful and compliance management and optimistic work force is the responsibility of a company.

—An employee of the Group



Source of data and information: Results of Materiality Assessment of ESG Issues in 2019

OUR STRATEGY AND ACTIONS

Understanding the potential negative effects on the company brand and sustainable development of its businesses as well as economic losses arising from corruption, fraud and other violations, we adhered to the anti-corruption philosophy of “focusing on prevention and management, supplemented by case crackdowns”, strengthened integrity education for employees and supervision efforts over business processes relatively prone to corruption, and actively created a cultural atmosphere of internal integrity. In addition, we established smooth compliant and reporting channels, further consolidating its line of defense against corruption by leveraging on supervision from both inside and outside.

PERFORMANCE FOR THE YEAR

Cumulative number of participants in the group-level anti-corruption education promotion activities:

46,488

ANTI-CORRUPTION AND ADVOCATION OF INTEGRITY

The Group attaches great importance to anti-corruption, sets up the rule of defense in advance, formulates and implements the Evergrande Real Estate Group Integrity Supervision Work Management Measures, the Measures for the Administration of Cash Gift and Gifts, the Notice on the Reaffirmation of the Group System Integrity Provisions and Penalties and other rules, and issues the “Five Regulation, Five Expulsion” ban. We set up a group-level Supervision Center, responsible for carrying out supervision over corruption and related violations in collaboration with its subordinate supervision units and the Office of Combating Bureaucracy.

The Supervision Center of the Group regularly carries out anti-corruption education for new employees recruited from society, college students recruited from schools and formal employees to strictly prevent the breeding of corruption. Meanwhile, the Group has prepared the Evergrande Group White Paper for Anti-Corruption, and promoted it to various strategic partners simultaneously, in order to jointly build a transparent and healthy cooperative relationship.

Case study: “Combating Corruption, Promoting Integrity” training

In August 2019, during the Spark Training Camp for induction training of new university recruits, the Group’s supervision system leader conducted “Combating Corruption, Promoting Integrity” training for approximately 2,000 new recruits with comprehensive analysis of specific corruption phenomena, giving a clear direction and sounding alarms for new colleagues.



Educational film warning against anti-corruption



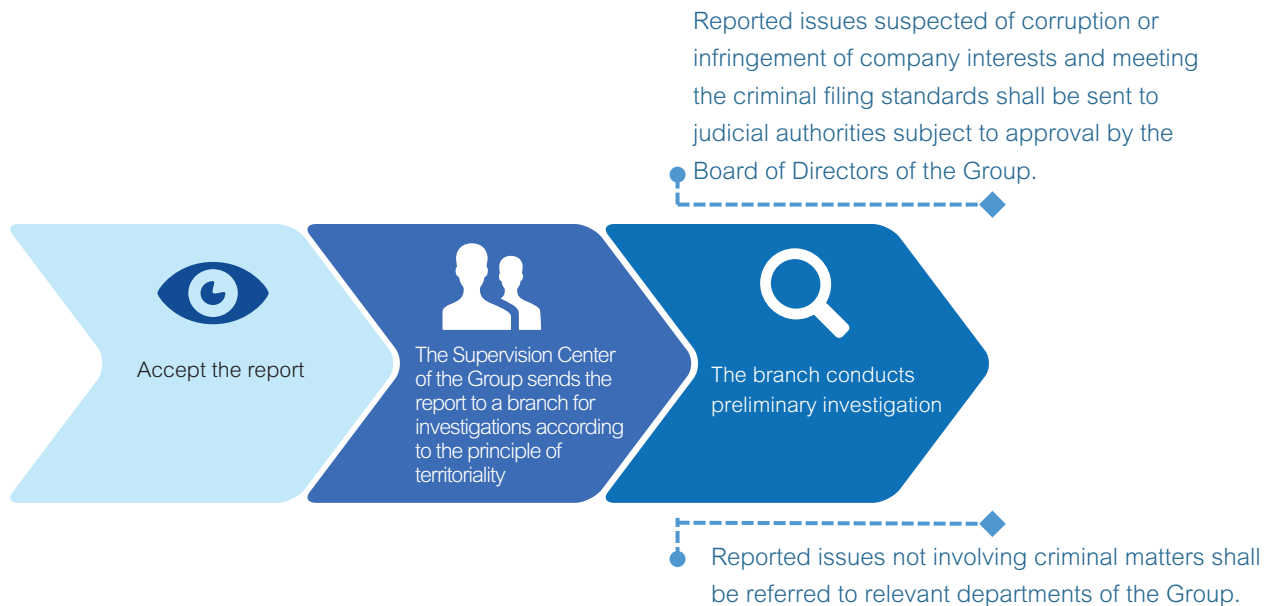
Lecture on integrity

Summary of group-level anti-corruption publicity training activities in 2019 are as follows:



In the meantime, the Group set up four complaint and reporting channels, i.e. KK, telephone, E-mail and mail, accepting complaints and reports of internal and external personnel suspected of corruption and infringement of company interests; and set up the “notification letter of reporting channels” in prominent positions at each office area, project construction site and sales center. 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, and stipulates that supervisory archives can be transferred, consulted or copied to archivists only after the approval of the top management of the Supervision Center.

Upon receiving a complaint or report, the Supervision Center of the Group shall follow the below process:



In addition, the Group strengthened proactive monitoring efforts in links or business lines prone to corruption, and conducted monthly in-depth inspections of each business department’s external business activities in proportion to sort out suspicious clues and plug management loopholes. The Group conducted whole-process supervision over each bidding and tendering to supervise normal bidding activities.

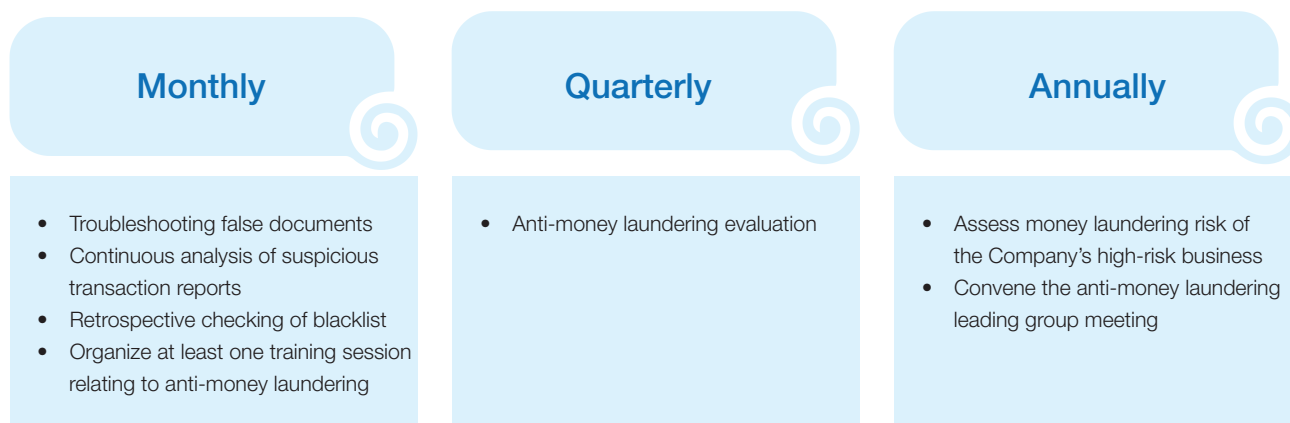


Total direct economic losses recovered by the case handling efforts of the Supervision Center in 2019
RMB50 MILLION

ANTI-MONEY LAUNDERING

The Group strictly complies with laws and regulations relating to anti-money laundering. 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, and requires the parties to transfer funds through bank transfer, trying to avoid cash payment.

For the life insurance sector, the Group formulates and implements 14 administrative systems including the Anti-Money Laundering Management Measures of Evergrande Life Insurance Company Limited, in order to enhance the regulation and management of customer identification, suspicious transaction reports, money laundering risk assessment and anti-money laundering publicity training and strengthen its internal anti-money laundering supervision capacity. Moreover, the Group advanced the supervision and management of money laundering risks in the life insurance sector in terms of anti-money laundering, evaluation and money laundering risk assessment:



FIGHTING BUREAUCRACY

The Group initiated the “211” movement in 2018 to strengthen management of the cadre team, eliminate bad conduct such as abuse of power, fraud, dereliction of duty, etc., and effectively improve the internal management level. The Group continued to deepen the “211” movement during the year and promoted system building on all fronts:



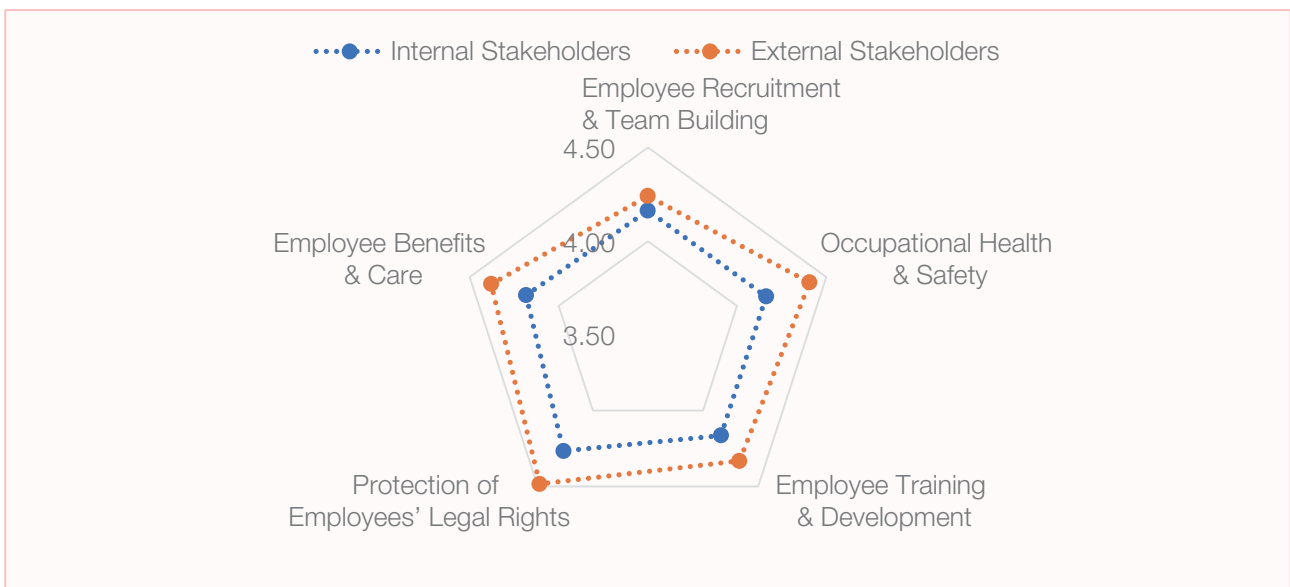
At the same time, the Anti-bureaucracy Office of the Group accepts reporting through telephone, mail, KK and other channels, as well as clues referred from after-sales, supervision, legal and other functional departments, to verify, investigate and handle complaints relating to bureaucracy and misconduct. The Group urges all offices to increase efforts in supervision over misconduct, actively creates a work environment of “integrity and uprightness”, promoting the continuous improvement of the Group’s management level.

Seeking Mutual Development with People

GROW WITH OUR EMPLOYEES

Talent is the foundation of sustainable development of enterprises. The Group is subject to labor and social security regulations including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China, which require, among others, to sign labor contracts with full-time employees, prohibit the use of forced labor and child labor, pay salaries and contribute to social insurances on a timely basis and provide a safe workplace, in order to protect employees' legal rights from infringement.

Concerns of Stakeholders



Safeguarding employees' rights is at the core of determining whether a company is humanistic and caring, and whether employees are willing to work for it long-term.

— An employee of the Group

The development of an enterprise is inseparable from that of its people. In an ever-changing social environment, an enterprise providing a platform for the training and growth of its employees is in line with the company's interests in long-term development and the employees' personal needs.

— An employee of the Group

A good employee welfare and care system helps produce a sense of belonging to the company within the employees.

— A supplier of the Group

Source of data and information: Results of Materiality Assessment of ESG Issues in 2019

Seeking Mutual Development with People

Our Strategy and Actions

To implement the talent philosophy of “talent-based country and talent-based industry”, we strengthen team building from the three aspects of talent introduction, talent training and talent promotion on top of safeguarding the employees’ basic interests. We are committed to creating a corporate culture of efficient follow-up and working hard and working together, facilitating the common growth of the Company and its employees.

Talent Introduction	Talent Training	Talent Promotion
<ul style="list-style-type: none"> ● Introduction through multiple channels ● Rigorous screening process 	<ul style="list-style-type: none"> ● Focus on cultural integration ● Center on plan management ● Improve through practice 	<ul style="list-style-type: none"> ● Efficient and diversified development ● Motivational atmosphere

In addition, we successively made modifications to the original personnel systems such as employment, payroll computing and labor security in 2019, enhanced talent inventory and position streamlining, and continued to optimize effective allocation of internal human resources , in order to provide a more extensive development platform for employees.

Performance for the Year

In 2019, we received the honorary title of “Best Employer of 2019” at the “Fourteenth Chinese Employer Brand Annual Meeting & 2019 China Best Employer Awards Ceremony” co-sponsored by the employers’ brand research institutes and state-owned enterprises.

During the year, our performance in employee management is as follows:



Employee Recruitment and Rights Protection

Employee Recruitment and Demission Management

In consideration of its needs for business development, the Group recruits talents through campus recruitment and social recruitment to strengthen the building of a talent team, and help the nation achieve the goal of stable employment under the new economic normal. We strictly implemented the internal policies such as the Policy of Evergrande for Recruitment and On boarding and the Policy of Evergrande for Formal Employment of New Employees during the process of employee recruitment, adhered to the concept of being “people-oriented” and the principle of “open recruitment, comprehensive examination and admitting the best candidates”, and conducted the overall examination from knowledge, moral character, ability, experience and other aspects, in order to ensure openness and fairness in employee recruitment and hiring. The Group signed written labor contracts with employees and strictly fulfilled contract’s terms to safeguard employees’ legal rights and interests.

In 2019, we initiated two campus recruitment activities in March and October, respectively, actively communicated with fresh graduates on-campus to attract more high-quality talents. In addition, we held the “National Key Universities Talent Strategic Partner Exchange Meeting in August, with heads of employment guidance departments and teachers from over ten key universities including Tsinghua University and Peking University invited to the Shenzhen headquarter for guidance and communication to enhance the Group’s close contact and understanding with various universities, creating a win-win scenario for the universities and the Company’s talent cooperation.



2019 Star Program Spring Campus Recruitment lectures in 14 universities over 10 cities



2020 Star Program Campus Recruitment lectures in 33 universities over 20 cities



10 October
Sichuan University



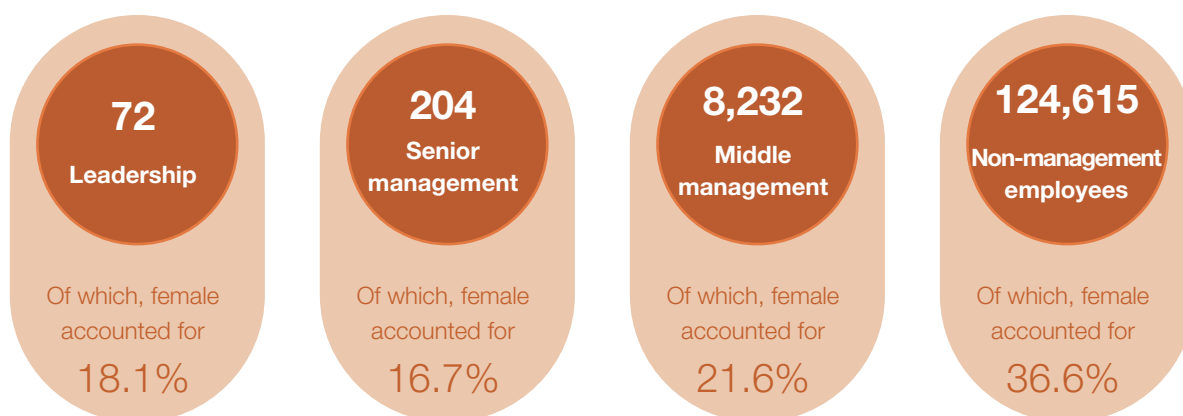
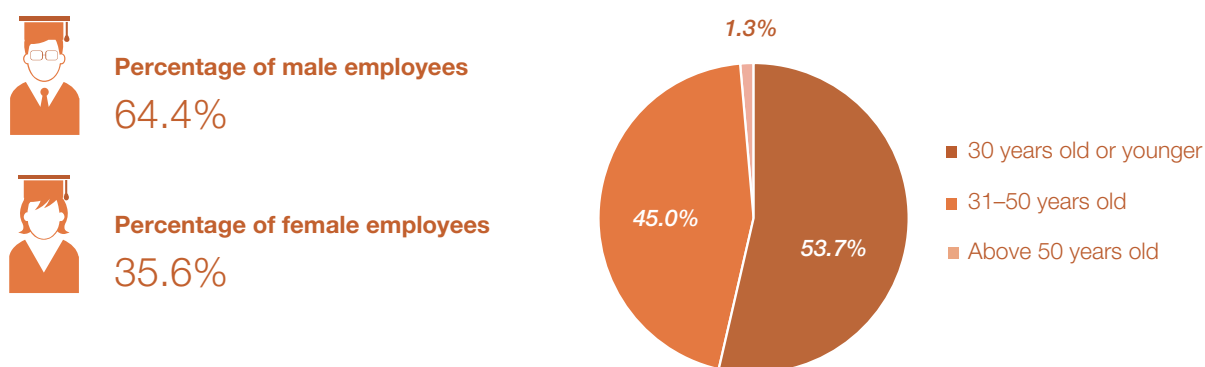
10 October
Huazhong University of
Science and Technology



9 October
Tianjin University

Seeking Mutual Development with People

In 2019, we recruited 51,263 new employees through campus recruitment and social recruitment. As at 31 December 2019, our total number of employees amounted to 133,123, all of which working in Mainland China. The details of age structure and gender structure of employees are as follows:



Note: According to the internal rank classification standards of the Group, leadership refers to level 5 cadres or above; senior management refers to level 6–7 cadres; while middle management refers to level 8–12 cadres.

For demission management, the Group arranges department heads or HR personnel to conduct face-to-face interviews with employees with the intention to resign, in order to avoid losing quality talents wherever possible. The Group also formulated and implemented the Employee Demission Management System of China Evergrande Group to standardize the related work of employment demission management and protect the employees' legitimate rights such as receiving post-demission financial compensation from infringement.

Employees' Rights Protection

The Group formulated and carried out the Regulations on Payroll Computing Management of Evergrande Group, the Regulations on Social Insurance and Housing Fund Management of Evergrande Group and other internal policies, made lawful payment of salaries and contributions to statutory insurance and provident funds to employees in full and on time, and purchased the employer liability insurance for "retired and rehired" employees and trainees to effectively protect the legitimate rights of employees. Moreover, we provide free staff apartment, free work meal, staff health club and other diversified employee benefits.

Seeking Mutual Development with People



Salary plus Five Social Insurances and One Housing Fund



Free work meal



Free staff apartment and discount in house purchase



Free commuter cars



Welfare game tickets and holiday gifts



Library and staff club



Annual physical examination



Resting and breastfeeding zone for mothers and babies



At the same time, we forbid the following actions in employee management:



Use of Child Labor

A minimum age is specified in the Group's employment management policy, and the Human Resource Department is required to strictly verify personal data such as ID cards of potential recruits, in order to avoid any hiring of child labor. The Group did not recruit nor were there any circumstances where the Group employed any child labor during the year.



Forced labor

The Group's policy on labor discipline sets out specific requirements on the process of overtime application and approval and taking days off, requiring that overtime work be subject to written application and approval with employee's consent. There were no circumstances where the Group used any forced labor during the year.



Discrimination

The Group adheres to the principle of fairness, integrity and equality in formulating and implementing all personnel-related policies, and prohibits any acts of discrimination against employees' race, gender, region, social class, religion, disability, political party, etc. At the same time, the Group actively provides protection for its female employees, including setting up International Women's Day holiday and maternity lounge.

Seeking Mutual Development with People

Employee Training and Promotion

Employee Training

Growth of employees and development of an enterprise are mutually beneficial. Attaching great importance to employees' growth and development, the Group formulated and carried out the Group's Three-year Training Plan for College Students Enrolled, and continuously strengthens the training system, improves on the tutorial system and the internal trainer system and fulfills various key training projects to help the employees quickly fit in and improve steadily.

In 2019, the overall employee training situation of the Group is as follows:

Position rank	Cumulative number of participants	Total number of training sessions	Average training hours completed per employee (hour/participant)
Cadres above level 6	959	87	18.1
Level 7–10 cadres	14,658	462	12.4
Cadres below level 11	14,733	367	12.3
Non-management employees	2,173,910	130,066	29.5
Total	2,204,260	130,982	28.2

Note: As the internal training data was compiled based on echelon, which was not completely consistent with the position rank classification of leadership, senior management and middle management, the training-related performance indicators are compiled and disclosed based on employees' position rank. In addition, accounting for the actual statistics ledger on the Group's internal training, the calculation method of average training hours completed per employee during the year is adjusted to be as follows: average training hours completed per employee = (total training hours during the year/total number of training sessions during the year) * (Cumulative number of participants/number of employees), in order to reflect the actual situation of the Group's employee training in a more reasonable manner.

During the year, our key training projects included:

Induction training for new staff recruited from communities **10,225 participants**

The training mainly covered corporate culture, rules and regulations, general quality and team-building activities.

Empowerment training for business backbone **304 students**

The Group facilitated professional training for outstanding business backbone, extracting advanced business experience and building a learning organization atmosphere.

Training course for general managers of the Group **6 candidates**

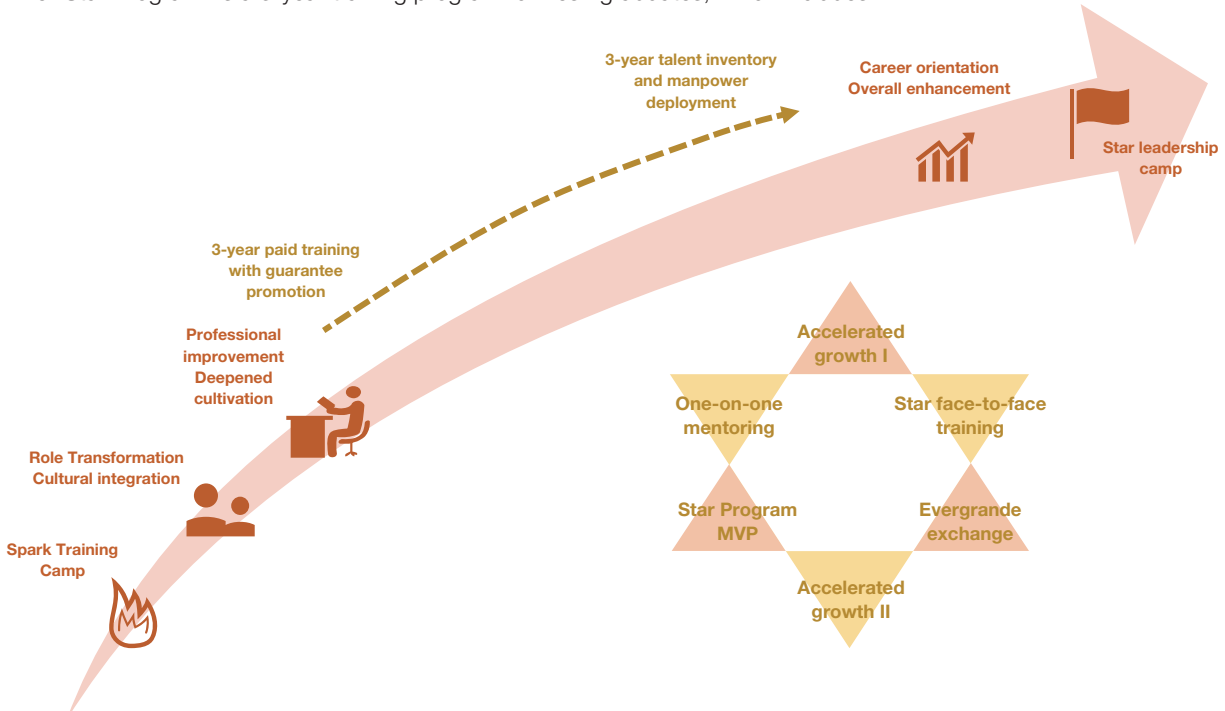
Combining comprehensive training models such as theoretical study and post-training, the Group strengthened the echelon building of cadre leaders to train senior executive successors.



The scene of empowerment training for business backbone

Training system of the “Star Program”

The “Star Program” is a 3-year training program for fresh graduates, which includes:



“Star Program” in 2019:

Spark Training Camp	Fresh graduates in 2019 Comprehend Evergrande's corporate culture and learn the essence of industry knowledge	1,568 graduates
Accelerated growth	Graduates in 2017, 2018 and 2019 Successive introduction of vocational training to facilitate accelerated growth	Cumulatively 11,702 people
Star Leadership Camp	Outstanding graduates for the year of 2015–2016 Improve the junior leadership level of university graduates and select outstanding management successors	167 people



Spark Training Camp



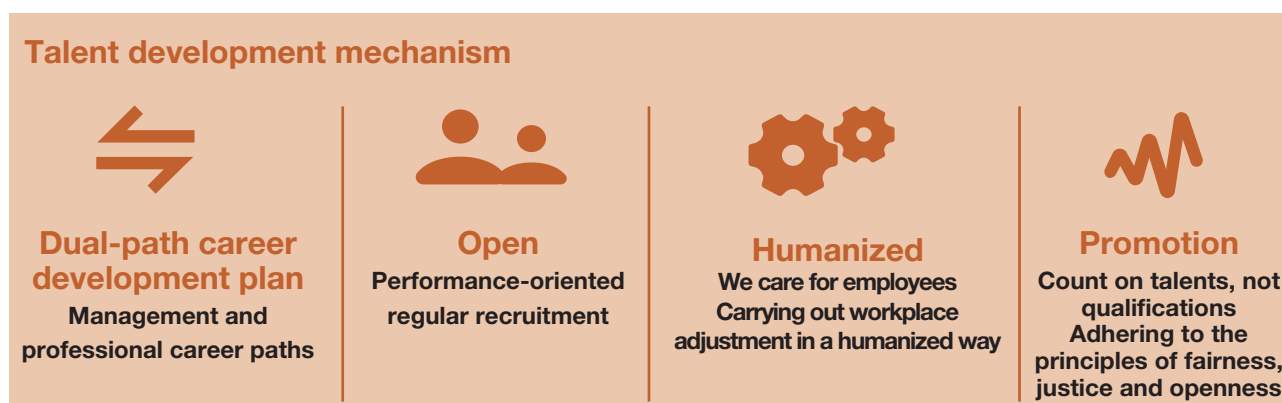
Star Leadership Camp

Seeking Mutual Development with People

Performance appraisal and development

The Group attaches great importance to ensuring the fairness and justice of employee assessment and promotion. It sets up a dual-path career development plan comprising of management and professional paths to provide a clear development direction and a sustainable career promotion path for management talents and technical professionals, selecting excellent talents and offering promotion chances through performance appraisal, promotion assessment, talent inventory and position sorting, so as to effectively achieve the matching of people and positions, and maximize the potential of employees.

For the appraisal, the Group quarterly conducts comprehensive appraisal for all employees from the three dimensions of comprehensive quality, work style, and work performance to ensure the objectiveness and truthfulness of the appraisal results. The appraisal results are regarded as important references for employees' annual salary adjustment, job promotion, performance improvement and enhancement.



At the same time, in order to meet the needs of diversified business development, in 2019, we focused on strengthening internal talent inventory, position sorting and talent deployment, continued to promote job optimization and per capita efficiency improvement, and provided employees with diverse promotion and development opportunities with a view to achieving a win-win situation for the development of employees and the enterprise. During the year, we selected more than 1,200 middle-level cadres and employees who were interested in the development of new industries through internal talent selection campaign of the Group, and deployed them to the relevant units of the new energy vehicle sector, promoting the improvement of internal talent mobility and job adaptability.

Employee health and safety and communication

In order to protect the physical and mental health of employees, the Group regularly organizes physical examinations of employees every year to urge employees to pay attention to their own health status; actively implement policies such as the medical mutual aid protection plan for employees of the local federation of trade unions, purchase relevant medical insurance for employees, and fully implement the people-oriented and employee-caring concept . In 2019, we had:



Seeking Mutual Development with People

Meanwhile, the Group irregularly organizes employees to carry out various sports activities such as football, badminton, table tennis, billiards, and cultural activities such as patriotic education movie watching activities to help employees relieve work pressure and take full care of their physical and mental health.



Organized the participation in Staff Badminton Tournament in Guangzhou



Hundreds of Billiards Classic organized by Evergrande Labor Union

Case study: Patriotic education movie watching activity

To celebrate the 70th anniversary of the founding of New China and promote the spirit of patriotism, the Group's real estate sector organized 7 occasions of private film watching activities with a total of nearly 1,500 audience, stimulating employees' patriotism and professionalism through watching patriotic films together such as "My Motherland", "Heroes of Fire" and "Captain China".



For the safety management of construction personnel, the Group has also actively adopted various measures such as safe and civilized construction inspections, safety education and training as well as fire drills to ensure the safety of construction personnel. For details, please refer to the safety management and control details in the section headed "Helping People to Live in Contentment" above.

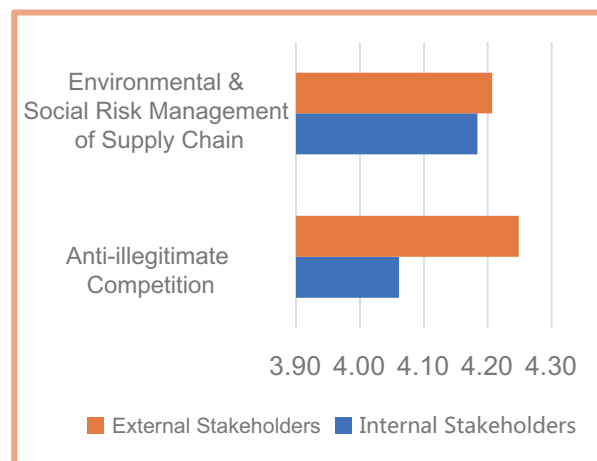
In addition, we pay attention to our communication with employees. We established employee reporting and complaint mechanisms, listened to employees' complaints through channels such as the personnel department, supervision department or union of the Group, and required relevant departments and personnel to follow up and coordinate processing in a timely manner to ensure that employees' voices are heard and responded to, thereby strengthening employees' sense of belonging. At the same time, the Group requires personnel-related departments to organize seminars for new staff from campus recruitment every quarter to keep track of the cultivation and growth of college students and guide their healthy development. In 2019, the Group's real estate sector conducted more than 70 seminars for college students graduated in 2017, 2018, and 2019, with an aim to helping college students solve problems encountered in work and life, attracting more than 1,000 people in total.

CREATING VALUES WITH PARTNERS

Sincere cooperation with suppliers is an important guarantee for the Group to continuously improve its competitiveness. The Group must comply with the requirements of the Tendering and Bidding Law of the People's Republic of China, the Procurement Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other laws on bidding activities, and effectively follow the principles of openness, fairness, justice and honesty when carrying out bidding activities, so as to protect the economic interests of customers, partners and enterprises, and to help improve the business environment of the industry and the entire society.

And as government departments, public benefit organizations and other institutions has been paying more and more attention to green supply chain management, supply chain social responsibility risk management, etc., we would promptly monitor the industry development, urge our partners to practice corporate social responsibility, and jointly explore the path of green development.

Concerns of Stakeholders



Source of data and information: Results of Materiality Assessment of ESG Issues in 2019

Our Strategy and Actions

We understand that the Group's procurement activities will have an impact on the economy and society, and will also promote the supply chain environment and the fulfillment of social responsibilities. We look forward to working together with various suppliers to jointly promote the sustainable development of the industry and create a better and more environmentally-friendly future.

To this end, we uphold the concept of "transparent cooperation" and implement the tendering and bidding management system and evaluation system, materials and equipment supplier factory system review, supplier communication mechanisms and other measures. We constantly improve the supplier management mechanism to ensure that the tendering and bidding work are in compliance with laws and regulations to avoid discrimination against suppliers, and urge them to assume corresponding environmental and social responsibilities.

Performance for the Year

In 2019, we were awarded the "2019 China Top 100 Real Estate Housing Supply Chain Cooperation Integrity Model Enterprise" by a real estate procurement platform in China, and in the real estate business sector, we had:

129 field visits initiated by the bidding center or cooperated with the materials company and design institutes	Proportion of cooperating factories of the Materials Company that have obtained system certification ISO 9001 quality management system: 92.9% ISO 14001 Environmental Management System: 78.1% OHSAS 18001 Occupational Health Certificate: 69.6%
1,635 inspections by the Materials Company on suppliers of materials and equipment	
11,613 batches of samples sent for inspections of materials for fine decoration projects by the Material Company	

Seeking Mutual Development with People

As at 31 December 2019, the total number of the Group's suppliers reached 31,051, of which the total number of suppliers in the real estate sector reached 28,491; 99.1% of the suppliers were distributed in 30 provinces or municipalities in Mainland China, and 0.9% of the suppliers were registered in Hong Kong, Macao and Taiwan regions or abroad. We endeavor to source locally in our operations to reduce the emissions of transportation pollutants and greenhouse gases, as well as to drive the development of local enterprises operating in related industries. The regional distribution of our suppliers in Mainland China is as follows:

No.	Name of province/municipality/ autonomous region	Percentage as to total suppliers
1	Beijing	5.6%
2	Tianjin	1.4%
3	Shanghai	4.6%
4	Chongqing	2.7%
5	Hebei Province	3.1%
6	Shanxi Province	2.5%
7	Liaoning Province	3.2%
8	Jilin Province	1.5%
9	Heilongjiang Province	1.7%
10	Jiangsu Province	8.2%
11	Zhejiang Province	4.5%
12	Anhui Province	3.9%
13	Fujian Province	2.7%
14	Jiangxi Province	2.8%
15	Shandong Province	5.0%
16	Henan Province	3.9%
17	Hubei Province	3.3%
18	Hunan Province	4.3%
19	Guangdong Province	13.4%
20	Hainan Province	1.9%
21	Sichuan Province	3.2%
22	Guizhou Province	1.5%
23	Yunnan Province	2.0%
24	Shaanxi Province	2.1%
25	Gansu Province	2.3%
26	Qinghai Province	0.2%
27	Inner Mongolia Autonomous Region	2.3%
28	Guangxi Zhuang Autonomous Region	2.5%
29	Tibet Autonomous Region	0.0%
30	Ningxia Hui Autonomous Region	1.0%
31	Xinjiang Uygur Autonomous Region	1.3%

Note: The figures in the figure represent the proportion of suppliers in the area to the total suppliers, and the unit of the number is %; the area is divided according to the place where the supplier is registered.

Seeking Mutual Development with People

Supplier recruitment and dynamic management

The Group implemented the supplier management mode of “recruitment before bidding”, formulated internal policies such as the Tendering and Bidding Management System of Evergrande Real Estate Group, and regulated supplier recruitment, storage, maintenance management, bidding procedures and requirements, ensuring that the supplier recruitment and bidding work are fair and equitable.



The Group dynamically maintains the supplier resource database, implements hierarchical management of suppliers based on regular assessment results, encourages suppliers to continuously improve product and service quality, and continuously accumulates excellent supplier information for the enterprise.

For engineering suppliers, the Group formulated and implemented the Construction Unit Evaluation Implementation Rules, and conducted quarterly assessments in terms of project quality, project progress, comprehensive strength and contract performance, on-site management capabilities and coordination, safe and civilized construction, and major deductions. For suppliers of materials and equipment, and goods and materials, the Group conducted periodic assessments on a quarterly and semi-annual basis, respectively, and conducted annual system review of the factories of the current suppliers. Based on the results of regular assessments, the Group carried out upgrade or downgrade management of various types of suppliers in order to incentivize the continuous improvement of the quality of products and services.

In 2019, the details of field trips or inspections for the Group’s suppliers are as follows:

Engineering suppliers

The Bidding Center of the Group initiated **17** field trips to suppliers
 The Bidding Center of the Group conducted **112** field visits to suppliers in cooperation with the Materials Company and design institutes

Suppliers of materials and equipment/goods and materials

The Materials Company of the Group inspected the current cooperating factories for **1,635** times, and found and dealt with **186** factory quality problems

Supplier Communication and Training

The Group attaches great importance to communication with suppliers. Through visits, meetings, exchanges, and recognition of outstanding suppliers, the Group understands the demands and expectations of suppliers, and jointly explores ways to achieve win-win cooperation. The Group interviews underperforming suppliers to urge enhancement of management capabilities and work together to create quality products of Evergrande.

Case study: 2018 Excellent Materials and Equipment Supplier Award Ceremony



On 16 May 2019, the Materials Company of the Group held the “2018 Excellent Supplier and Quality Supplier Award Ceremony” in Shenzhen, inviting senior leaders of 33 suppliers to participate. At the meeting, the Group communicated with partners on the current efficient and high-quality supplier management status as well as future plans, and presented outstanding supplier awards and 10 high-quality awards. The atmosphere on the scene was very harmonious and warm.



Moreover, the Group emphasizes the communication of professional skills with suppliers. Through forms including technical seminars and business training, the Group strengthens the understanding of various suppliers on our cooperation methods and quality requirements, procuring suppliers to improve their business capabilities and management levels and achieving win-win cooperation for both sides.

Design suppliers technical seminars

During the year, the Architectural Design Institute of the Group organized **15** training in the standardization category with a total of approximately **385** participants.



Business training for materials and equipment/goods and materials suppliers

During the year, the Materials Company of the Group conducted **2** business trainings for newly contracted suppliers and suppliers of new materials, involving **17** suppliers.



Seeking Mutual Development with People

Fulfilment of Social Responsibility by Suppliers

The Group pays attention to the fulfillment of social responsibilities of various suppliers in the fields of environmental protection, occupational safety, and compliant employment, conducts regular reviews on the suppliers' social responsibility-related matters in combination with actual work, urges them to comply with relevant laws and regulations and continue to improve, and assists in the dissemination of social responsibility concepts and actions along with the industrial chain.

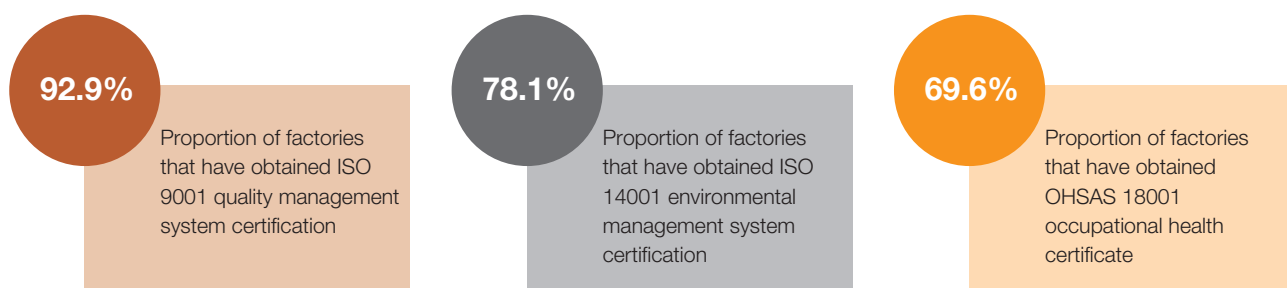
Environmental Protection and Safety Responsibilities

For the construction units, the Group requires that they must meet the environmental protection requirements of the government where the national projects are located, and regards safe and civilized construction as an important indicator for the quarterly periodic assessment on the construction units to urge them to do a good job in environmental protection such as dust control and sewage treatment.

For materials and equipment suppliers, the Group takes different measures to supervise the implementation of the environmental protection responsibilities in different segments, including:

Business qualification review conducted by related units	Field trips conducted by related units	Dynamic management of suppliers after recruitment
<ul style="list-style-type: none">EIA ReportApproval documents for environmental assessment of government departmentsDischarge licenseConstruction and installation qualificationSpecial industry production license	<p>Professional inspectors to verify the authenticity and effectiveness of manufacturers' product quality control and environmental protection measures.</p>	<ul style="list-style-type: none">Normal regular quarterly/ semi-annual inspectionMaterial inspection before delivery/project on-site inspection, etc.Annual factory system review

Among which, the annual factory system review is referring to the rating process of the factories of our cooperating suppliers with reference to the management content of the ISO system. If quality and environmental risks are identified, factories would receive a warning letter and be required to rectify within a time limit or suspend supplies to urge the suppliers to focus on quality control and environmental protection compliance management. At present, the status of the third-party system certification among the 411 factories cooperated with the Group's Materials Company is as follows:



Integrity Responsibility

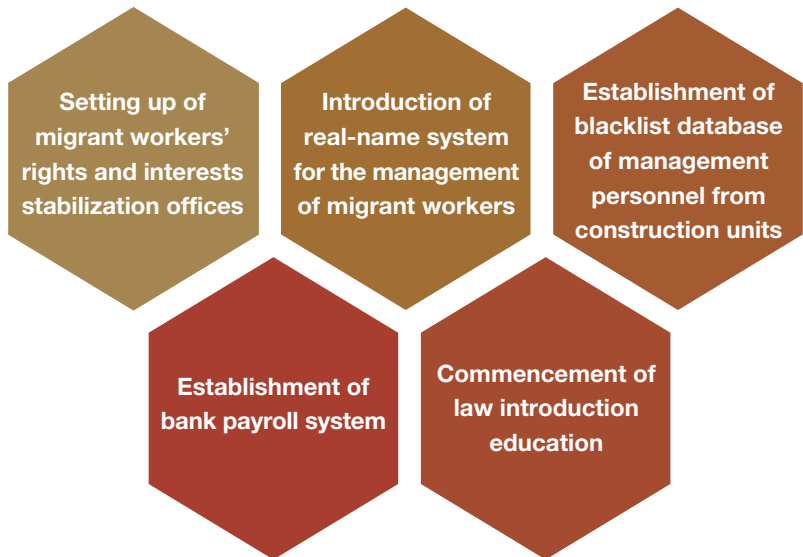
The Tendering and Bidding Management System of Evergrande Real Estate Group, the Materials Company Supplier Management Red Line Regulations and other internal systems of the Group stipulated that the bidding unit is strictly forbidden to provide personal convenience, bribes or irregular business banquets to Party A personnel in any way. The Group attaches the "corruption clause" and the notification letter of the reporting channel to the bidding documents and annexes to the contracts, extending the coverage of internal anti-corruption policy requirements to the suppliers and requiring them to assume the social responsibility of integrity.

Compliant Employment Responsibility

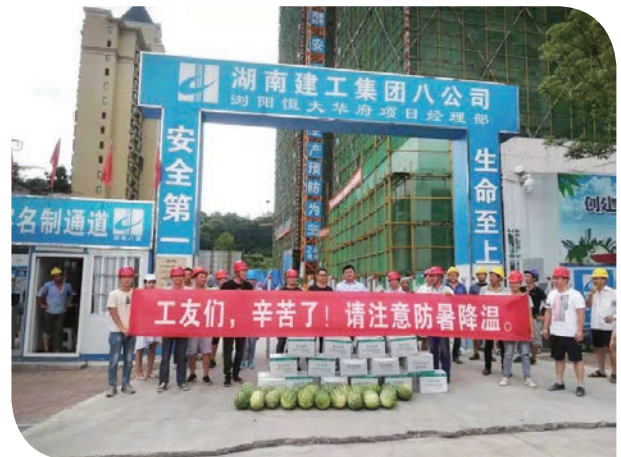
The Group attaches importance to the compliant employment management of construction units and requires them to fully protect the basic rights and interests of migrant workers' occupational safety and legal remuneration.

The Group formulated and implemented the Management Measures of Evergrande Real Estate Group on Protection of Migrant Workers' Rights and Interests and other systems. The migrant workers' rights and interests protection center is responsible for issues including the labor outsourcing of projects and the handling of labor disputes, and the publication of the 24-hour complaint hotline, complaint mailbox, WeChat Official Account and other information on the construction sites in order to facilitate the incoming complaint calls and complaint letters from migrant workers, effectively supervising the implementation of the construction units' compliant employment responsibilities. In addition, we encourage construction units to set up migrant workers' rights and interests stabilization offices, establish a bank payroll system, etc., and to continuously strengthen the protection of legal rights and interests of migrant workers.

Meanwhile, we work with construction units to carry out various migrant workers-caring activities, focusing on the work and living needs of migrant workers and enhancing their sense of belonging in cities.



Guizhou Evergrande New World Project organized free medical examination for workers



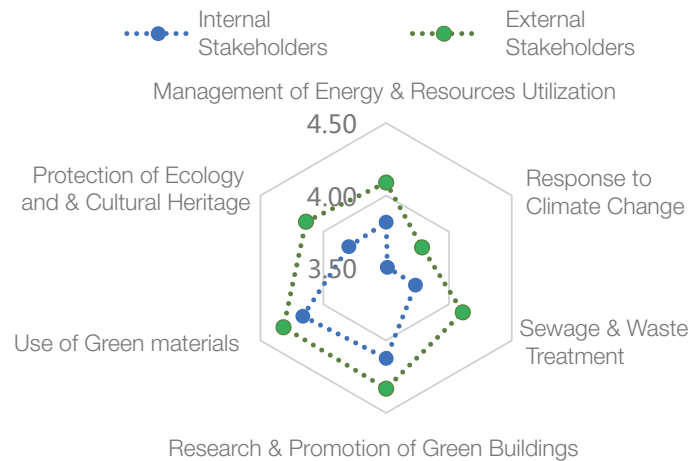
Various projects carried out activities of "sending coolness in summer and caring for migrant workers"

Creating Pleasant Environment for People

Operations of the Group primarily involve the utilization of resources such as electricity, oil products and water, as well as the control over dusts, noises and different wastes. We must comply with laws and regulations including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise, the Law of the People's Republic of China on Environmental Impact Assessment, the Regulations on the Administration of Construction Project Environmental Protection and the Administrative Measure on Acceptance of Environmental Protection Works for Completed Construction Project, submit environmental impact report according to requirements, and properly conduct civilized construction management. Moreover, the Group proactively implemented various environmental protection measures so as to avoid delay or suspension of projects or impairment of the Group's reputation as a result of violation of environmental protection laws.

China has entered a new phase in acceleration of ecological civilization and construction of moderately prosperous society. Energy conservation for construction works and development of green buildings are some of the effective measures for promoting energy conservation and emission reduction and responding to climate change, which have been proactively advocated by relevant regulators in China. Following the direction of relevant industry policy such as the Notice on the Ministry of Housing and Urban-Rural Development on Issuing the 13th Five-Year Plan for the Development of Building Energy Efficiency and Green Buildings, we are exploring opportunities regarding green buildings in order to enhance product competitiveness and sustainable development of our operations.

CONCERNS OF STAKEHOLDERS



Energy management and green materials are important ways for enhancing product quality when adapting to new trend.

— A management personnel of the Group

Research and promotion of green buildings, as well as use of green materials, are influential to sustainable development.

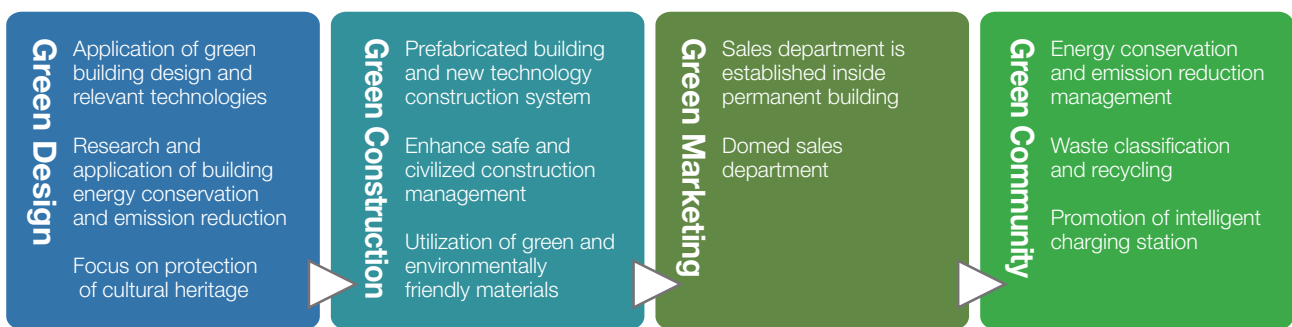
— A supplier of the Group

Source of data and information: Results of Materiality Assessment of ESG Issues in 2019

OUR STRATEGY AND ACTIONS

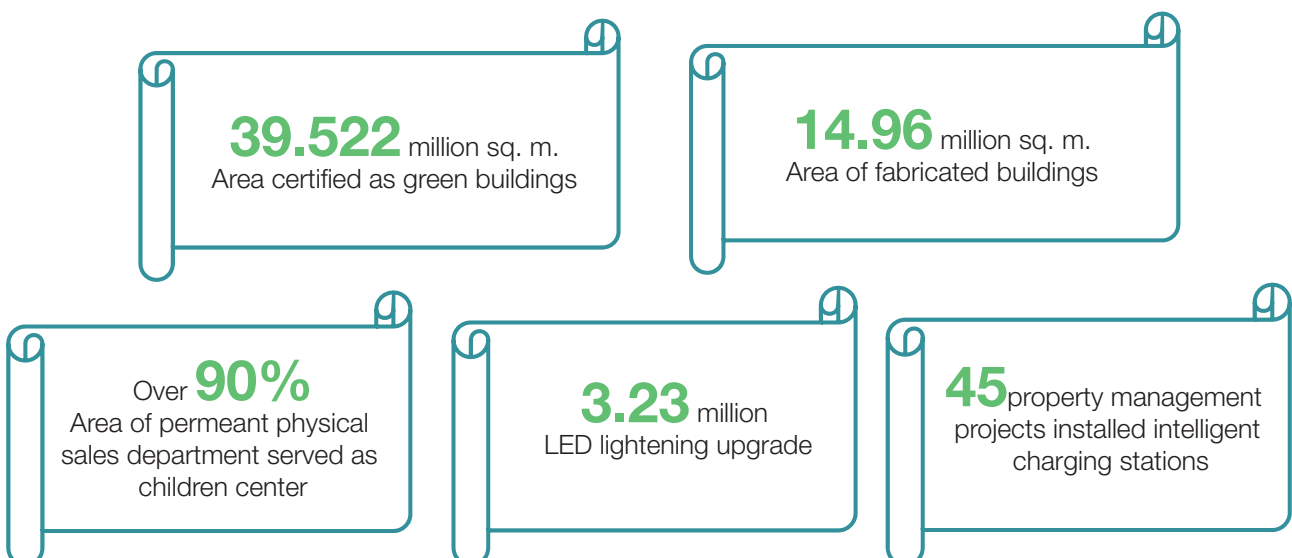
We are well aware of the importance of environmental protection compliance to sustainable development, as well as the new opportunities arising from increasing understanding of and public awareness on green products. Meanwhile, we are also aware of the importance of the design, construction and operation of green buildings to increasing ecological product supply and enhancing the sense of reward and happiness, as well as its strategic and practical meaning to the transformation of economy and society towards green operation.

To this, adhering to the strategy of “making green operation covering the whole project life-cycle”, we proactively facilitated relevant key actions:



PERFORMANCE FOR THE YEAR

In 2019, the performance of our key actions in relation to the promotion of environmental protection is set out below:



GREEN DESIGN

Green Building Design and Relevant Technology Application

The Group proactively responds to the government's call on green building development. Green building research center is responsible for the formulation of relevant standards for green buildings, the application of green building certification, the management of green building assessment and the review of green technology proposals. In addition, the green building research center is required to discuss and determine the suitable green design proposal for the project with architectural design institution, residential property commercialization center, management and supervisory center and other departments at the beginning phase of the project, as well as promote green building design continuously.

Following the participation in the formulation of the national Criteria for Appraisal of Green Buildings (GB50378-2019) (the "New National Criteria") during 2019, the Group has also participated in the formulation of the national Technical Rules for Appraisal of Green Buildings, and facilitated the implementation of the New National Criteria leveraging on the experience of the Group. At the same time, based on the New National Criteria, the Group has adjusted and amended its existing green building standards, and promulgated and implemented the Criteria and Standard for Design of Green Residential Property of China Evergrande Group (2019 Version • One-star Level), thereby enhancing the criteria for green building design.

In 2019, the Group proactively facilitated the promotion and certification of green buildings. During the year, there are additional 214 projects classified as certified project under the national Criteria for Appraisal of Green Buildings at the design phase. Among which, 43 projects received two-star certification for green buildings at the design phase, while 2 projects received three-star certification for green buildings at the design phase.

Case study of green building: Project of Taoran Estate, Century Dreamlike City, Jurong, Zhenjiang



The project has passed the appraisal of green buildings by Jiangsu Ministry of Housing and Urban-Rural Department, and received two-star certification for green buildings. The project highlighted the balancing, diversity and coordination of building design. Based on its location features, the project also adopted various energy, water and material conservation and environmentally friendly measures, and promoted the utilization of clean energy such as solar power, thereby improving building design quality, providing harmonious and healthy environment for residents and serving as demonstrative case for building energy conservation and green building development in local area.

Key features of green building technology applied in this project include:

Adoption of rainwater recycling system

30% users have installed solar power heating system

Adoption of fabricated construction

Application of sponge city technologies

Installation of adjustable shading equipment

Installation of energy and water conservation tools



Creating Pleasant Environment for People



Case Study on Green Tourism Island: green design concept of Hainan Ocean Flower Island, China

Hainan Ocean Flower Island, China (“Ocean Flower Island”) is a major cultural tourism project of the Group, and is expected to commence official operation in 2020. Focusing on the “green concept, green way and green environment”, Ocean Flower Island strives to create all-rounded, world’s famous green smart tourism island.

“Green concept” refers to the low-carbon living experience in the island, including green buildings, green energy, rainwater garden and smart waste collection.

Implement 100% green building across the whole island.

Green building

Purify rainwater through synthetical effect of plant and soil, with purified water collected in swallow sunken greenbelt, enabling effective rainwater purification and storage.

Rainwater garden



Integrated solar PV building

Solar PV technology is applied in rooftop shading of cultural entertainment city, rooftop curtain wall of convention center and rooftop of filming base; Increase the utilization of renewable resources in respect of solar lightening, solar bus station and solar heating.

Green energy



Solar lightening

Negative pressure technology is applied to transport waste to centralized waste collection station through pipes, and then transport to waste disposal site, which is operated automatically on 24/7 basis, thus enhancing efficiency and effectively eliminating secondary pollution arising from waste collection and transportation.

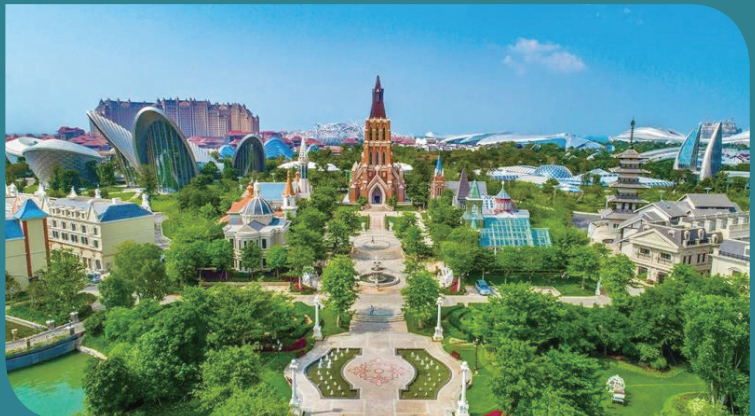
Smart waste collection

“Green way” refers to the ancillary facilities for green travel and green infrastructures. “Green environment” refers ecology and cultural display such as ecological view, garden, green promenade in central park of Island No. 1 and greenland system network.

- Green travel:** Comprehensively adopt new energy vehicle and electric vehicle transportation, with charging stations constructed.
- Energy-saving lightening:** Fully adopt LED lightening.
- Solar garage:** Through construction design, the garage obtains natural ventilation and natural lighting.



Electric vehicle



Multi-layer green garden

RESEARCH AND APPLICATION OF BUILDING ENERGY CONSERVATION AND CONSUMPTION

With the rapid urbanization and the increasing living standards, there is increasing pressure on the upward trend of building energy consumption and intensity. Proactively in response to the government's call on promoting building energy conservation, the Group continues to put greater efforts in the design and research on energy conservation and consumption reduction on residential buildings and large cultural tourism projects, thereby mitigating the pressure of shortage in energy supply.

The Group has joined hands with Harvard University and Tsinghua University to establish the research base for green buildings from 2014. Since then, the Group continuously promotes the research on green building technologies and crafts, and proactively promotes the innovation of green building products design, striving to improve indoor environment and reduce building consumption. At present, the Group has consolidated and formulated the Guidelines on Implementation Procedures for Ultra-Low Energy Consumption Building. It has also commenced pilot works in respect of passive ultra-low energy consumption building at Building No. 7-17 of Shijiazhuang Evergrande Sunny Wind Town, Building D1#/Building D3#/Building D4# of Shijiazhuang Evergrande Central Plaza and Inner Mongolia Hohhot Evergrande Royal Scenery.

Meanwhile, we also focus on conducting communication and exchange on technologies in relation to ultra-low energy consumption buildings with our industry peers. In October 2019, we joined the 23rd International Ultra-Low Energy Consumption Building Conference held in Gaobeidian City, Hebei Province. At the conference, we actively discussed the development trend, technology application and other issues regarding passive building consumption with industry experts.



Case study of passive ultra-low energy consumption: Pilot project at Evergrande Sunny Wind Town

We have selected Building No. 7-17 of Shijiazhuang Evergrande Sunny Wind Town in Hebei Province as the first ultra-low energy consumption building pilot project. At present, the preliminary design of the project has been completed. The design of the passive building being implemented included: advanced technologies such as highly effective enclosure structure and window system, high air tightness, anti-cold heat bridge design, effective heat recovery ventilation system and renewable energy utilization.

Expected energy conservation upon the completion of project:



≤ 65 kWh/kWh/sqm. per year
Comprehensive building energy consumption

≤ 20 kWh/sqm. per year
Annual heating consumption

≤ 15 kWh/sqm. per year
Annual cooling consumption

Building air tightness
Ventilation frequency $N50 \leq 0.6$

FOCUS ON PROTECTION OF CULTURAL HERITAGE

The Group strictly complies with laws and regulations including the Cultural Relics Protection Law and the Regulation on the Protection of Famous Historical and Cultural Cities, Towns and Villages. It has submitted construction application of relevant projects in accordance with requirements, allocated protective zone of cultural heritage, commenced external protection and repair work, and focused on the balancing between building design and surrounding cultural heritage style at the design stage of the project.

Case study of cultural heritage protection: Kunming Evergrande Longquan Old Town Project

The project is located at Longtou Street, Panlong District, Kunming, Yunnan Province, with site area of 144.2 mu. The land parcel is located within the protective zone with 7 heritage buildings of different classes, such as Former Residence of Liang Lin, Former site of the Institute of History of South-West Associated University and other historical sites.

Project plan: Renovate the external appearance of buildings surrounding the heritage, organize and optimize the residential and commercial zones within the whole land parcel, maintain the unification of construction structure and traditional culture within the protective zone, and ensure no alternation to the layout, direction and dimension of traditional streets from Longtou Street towards the east-west direction to Baotai Mountain.

Facade design of the building: With reference to the research on Longquan culture, the building highlights the “master culture” of South-West Associated University, featuring architecture styles of Former Residence of Liang Lin and buildings in period of the Republic of China.



Original external appearance of buildings in the site

Aerial illustration of the project upon completion



GREEN CONSTRUCTION

Fabricated Building and New Technology Construction System

The Group proactively promotes the development of fabricated buildings, mainly due to the fabricated structures can reduce the turnover and utilization of materials such as steels and formwork at construction site, thus reducing construction waste and improving construction efficiency and environmentally friendly effectiveness. At the same time, the Group proactively promotes the new technology construction system consisting of different technologies such as aluminum alloy formwork, full cast-in external wall, precise masonry, thin plastering, so as to increase the turnover of materials used, reduce material consumption and enhance operation safety.




As at the end of December 2019, the adoption of fabricated buildings of the Group is set out below:

	Fabricated building
Number of province covered	15
Number of project covered	120
Gross floor area (0'000 sq. m.)	1,496



Safe and Civilized Construction Management

Strictly implementing the internal rules of the Safe and Civilized Construction Standard, the Group requires monthly joint inspection of different departments on safe and civilized construction so as to ensure compliance of environmental protection regulations in relation to project construction, as well as reduce the impacts on surrounding ecology of project construction.

 Dust control	 Noise reduction	 Waste management
Onsite hardening and greening	Large machines can only be operated in daytime	Prohibit from combusting waste and scrap, as well as toxic, non-toxic and smelly materials
Special personnel responsible for splashing	Utilization of low-noise equipment	All waste must be transported to other places using rubbish bags
Set up lime slaking pool or stacking gravel	Closed operation for equipment such as electric saw	Car wash workshop must be equipped with 3-class sedimentation tank, and direct discharge of sewage is strictly prohibited

Utilization of Environmentally Friendly Materials

The Group focuses on the environmental protection compliance and control of construction materials. It implements the highest standards for key management and control indicators such as formaldehyde emission of wood products, radioactivity of stones, VOC emission of paintings etc. The Group classifies the risk level on material quality with reference to national standards, sets up sampling inspection frequency for materials with different risk level, and enhance the control over environmental protection indicator and safety indicator in sampling inspection, so as to ensure the environmentally friendly level and safety of materials used in the projects and protect the healthy life of property owners.

Decoration and Design Institution Inspection Center of the Group is responsible for formulating the environmental protection standard for major materials used in fine decoration, It will cooperate with material providers to conduct pre-delivery inspection, on-site sampling inspection and other works in relation to environmental friendly score of major materials for fine decoration properties, so as to ensure the environmental friendly level of key materials under control.

Risk level	Type and number of material	Frequency of sampling inspection
High risk	2 types, water-proof materials and fully furnished furniture	Specific sampling inspection
Higher risk	15 types, such as wooden floor and cupboard lightning	Quarterly sampling inspection
General risk	22 types, such as faucet and bathroom fitting	Interim sampling inspection
Low risk	6 types, such as sanitary ware and heater	Annual sampling inspection

For materials failed in environmentally friendly score or with potential risk to human health, the Group will return such goods in accordance with the terms of purchase agreement, and punish relevant supplier; of which, the Group can impose maximum default penalty regrading product quality at 200% of purchase price.

GREEN MARKETING

The Group advocates green marketing concept. Through utilization of permanent building such as children center as the sales department or promotion of domed sales department, the Group achieves recycling of sales department or relevant construction materials, thereby increasing the added value of properties. The Group requires permanent sales department in principle. If such requirement cannot be fulfilled due to construction planning, construction of domed temporary sales department can be considered. At present, over 90% of the permanent sales department is children center.

In addition, the Group gradually implements digitalized operation for display and utilization of marketing materials, such as electronic property brochure, smart scene, 3D apartment layout and electronic approval procedures, bringing green marketing concept into daily management.

Case study of green marketing: Doomed sales department

Main structure of doomed sales department is constructed with steel structure and glass, which provides good transparency and modern styling. At the same time, it possesses the following environmental protection edges:

Cycling: Doomed sales department uses high-tech materials which can be disassemble and recycle, thus reducing use of construction materials and material consumption;

Ecology: Fewer construction pollution, less emission of toxic gas, such as formaldehyde, upon delivery, which is environmentally friendly and offers better experience.



GREEN COMMUNITY

The Group's property service focuses on creating a management policy and system of "energy saving, going green and environmental protection and smart property" in all aspects, the particulars of which include:

Energy Saving Management

The Group pays attention to energy consumption management in the process of property service, formulates and implements relevant internal systems such as Measures for Energy Consumption Management of Properties, Guidelines for Energy Consumption Management and Control of Properties, and Guidelines for Energy Conservation Management of Equipment and Facilities in Clubhouses. The Group promotes itemized measurement and management of water and electricity consumption in public areas of property management projects, requires monthly statistical analysis of water and electricity consumption, and carries out investigation or formulates optimization plan for abnormal water and electricity consumption. In 2019, our energy saving management measures for residential projects and commercial and office projects include:

Saving over 50% of energy

The Group carried out transformation of the water supply systems of old communities in Hubei, Guangdong and other regions, and promoted the application of advanced technologies such as "non-negative pressure overlying water supply technology" and "efficient imported water pump water supply technology". In particular, the operating energy saving rate of relevant projects after transformation reaches about 50% to 70%.

Saving 101.80 million kWh of energy

The Group completed the renovation of 3.23 million LED light sources for 410 projects nationwide; the annual lighting energy consumption was saved by approximately 101.80 million kWh as compared with before the implementation of the renovation.

The use of evaporative condenser (with heat recovery)

The Group largely promotes the commercial projects in areas with suitable climate to replace the original air-cooled heat pumps and water-cooled air-conditioners with highly efficient and energy-saving "evaporative condenser (with heat recovery)". The total energy consumption of the evaporative condenser will be significantly lower than that of the air-cooled condenser. The evaporative condenser with heat recovery equipment can also recycle the condensing heat and use it for heating swimming pools and domestic hot water, which has notable energy saving effect.

Garbage Classification and Waste Recycling

The Group actively responds to the call of the garbage classification policy and actively carries out relevant publicity and education activities, such as garbage classification and waste recycling, to the owners in property management, helping to enhance the concept of green living for community residents. The Group helps the state to implement measures of reduction, recycling and detoxification of waste. In 2019, two property projects under the management of the Group, namely, Evergrande Oasis Jiaxing and Evergrande Royal Scenic Peninsula Quzhou, both in Eastern China, won the title of Provincial Model Community for Garbage Classification, while Evergrande Royal View Garden Ji'an in Jiangxi won the title of Municipal Model Community for Garbage Classification.

Case study of a model community for garbage classification: Evergrande Oasis Jiaxing project in Eastern China



In order to comprehensively promote garbage classification in the community, multiple measures were adopted simultaneously in the project to enhance the owner's understanding and participation in garbage classification: (1) Promotion was carried out in conjunction with cultural activities in the community, such as carrying out garbage classification painting activities with "Tongle" Kindergarten; (2) Full-time garbage classification persuasion staff would conduct garbage classification supervision at the peak time of garbage disposal, and visit households to distribute garbage classification brochures and give explanations; (3) The activity of earning points to redeem prizes was carried out: garbage sorters would distribute the QR code of kitchen waste and other garbage tags to every property owner. By scanning the QR code, the source of the garbage was identified, and the owner could accumulate points and use them to redeem daily necessities in the display cabinets installed in the community.



Explaining on the brochure



Publicity logos for guidance



The sign of provincial model



A persuasion staff explaining on how to redeem daily necessities with points

Case study of waste recycling: Evergrande Royal Scenic Bay Shanghai project

Self-service recycling banks were set up in the community to help the owners develop the habit of separating recyclable waste from other garbage for disposal.



Self-service recycling bins



An owner putting in garbage



Promoting Smart Charging Piles

The Group actively responds to the relevant national policies promoting new energy vehicles and the use of clean energy, and actively promotes the construction and application of smart charging piles in the communities under its management. Since May 2019, the Group has promoted the deployment of electric power and the installation of smart charging piles in various communities. Up to now, we have put smart charging piles into use in 45 property projects under management, with a total of 194 equipment used.

Case study of smart charging: Evergrande Gentleman Hill Shenzhen project

Taking into account the special situation in the community where there are many new energy vehicles and the property owners have no fixed parking spaces, the project focuses on the construction of 46 public charging piles. Since the charging piles were put into use, the project has generated an average of more than 290 charging orders per week, with a high utilization rate and good feedback from the property owners.



Installation of charging piles



During charging



ENVIRONMENTAL DATA FOR THE YEAR





Level	Indicator	Unit	Total
A1.1	SOx emission	kg	42.06
	NOx emission	kg	13,682.56
	Particulate matters	kg	1,073.00
A1.2	Greenhouse gas emissions (Scope I)	ton	11,451.12
	Greenhouse gas emissions (Scope II)	ton	214,323.67
	Greenhouse gas emissions (Scopes I and II)	ton	225,774.79
A1.3	Weight of waste electronic products	kg	38,570.30
A1.4	Office waste	ton	4,601.47
A2.1	Total energy consumption	GJ	1,047,740.73
	Direct energy consumption	GJ	156,295.16
	Indirect energy consumption	GJ	891,445.57
	Energy consumption intensity	GJ/Income (in RMB million)	2.99
	Total electricity consumption	kWh	247,623,768.22
	Gasoline consumption	L	2,203,898.52
	Diesel consumption	L	557,018.77
	Consumption of liquefied petroleum gas	kg	731,841.43
A2.2	Consumption of pipeline gas	m ³	866,447.62
	Water Consumption	m ³	11,889,424.71
	Water consumption intensity	m ³ /Income (in RMB million)	33.94

Remarks on the environmental data:




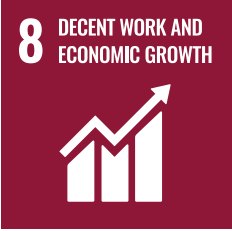




- The time of the environmental data is during 1 January to 31 December 2019; the scope of environmental data collection covers 18 regional companies and their subsidiary project companies of real estate business, and 5 offices of the headquarters in Guangzhou and Shenzhen. The regional companies covered Guangdong, East China, Beijing, Anhui, Shandong, Central China, Shaanxi, Hainan, Hubei, Hunan, Shenzhen, Sichuan, Chongqing, Jiangsu, Jiangxi, Guangxi, Guizhou and Liaoning; compared with 2018, Guizhou and Liaoning were newly added. In particular, due to the regional consolidation during the year, the information of the Pearl River Delta region covered in the disclosure scope for 2018 is included in the Guangdong region for the year.
- The emission comes from the use of official vehicles and burning of natural gas and liquefied petroleum 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.
- 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.
- 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 GB/T2589-2008 General Principles for Calculation of Total Production Energy Consumption as reference.

Appendix I: Supporting the United Nations Sustainable Development Goals

Sustainable development (SD) is central to our corporate culture and is the pursuit of our business development. We support the Sustainable Development Goals (“SDGs”) of the United Nations, which aim to, among other things, end poverty, conserve the environment, and protect the interests of stakeholders, so as to procure that all people enjoy peace and prosperity. We have identified specific SDGs that are relatively closely related to the operations of the Group. We also explore and implement relevant strategies and actions that help achieve these goals in daily sustainable management, the details of which are set out below:

Corresponding chapter in the report	Responding to the SDGs of the United Nations	Summary
<p>Helping People to Live in Contentment</p>	 	<p>Sticking to the philosophy of “Centering on People’s Livelihood and Serving Country with Industrial Development”, the Group has established a comprehensive industry layout of having properties for people as foundation, developing cultural tourism and health and well-being management as complementary pillars, and focusing on new energy vehicle as the leading growth driver. With reference to the industry dynamics and the development of information technology means, we continuously promote the innovation of business models and management models in response to the specific goals of SDG9 of the United Nations, including sustainable industrialization and innovation.</p> <p>At the same time, being well aware of the impact of housing and property service quality on the lives of owners, we implement the quality strategy and a quality control mechanism covering the whole process, including standard systems, construction systems applying various techniques, material control systems, etc., in response to the specific goals of SDG11 of the United Nations, including “ensure access for all to adequate, safe and affordable housing and basic services”.</p>
<p>Dispelling Worries and Relieving Burdens of People</p>	  	<p>We actively respond to the national call on targeted poverty alleviation policies and uphold the charitable concept of “teaching a person to fish is better than giving him the fish”. The Group assisted the poverty alleviation in Bijie City, Guizhou Province via forms of industrial poverty alleviation, employment poverty alleviation and relocation poverty alleviation, and actively made donations to a number of provinces and regions including Henan and Shaanxi, helping the poverty-stricken provinces and regions get rid of poverty, and improving their local medical and educational levels, thereby making contributions to the realization of SDG1 and SDG2 goals of the United Nations .</p> <p>With regards to the occurrence of novel coronavirus pneumonia since the end of 2019, we actively fulfill our corporate social responsibilities in terms of financial assistance, in-kind donations and scientific research support, and fight against the pandemic together with the whole nation, in support of realizing the specific goals of SDG3 of the United Nations, such as ending epidemics and combating communicable diseases.</p>

Appendix I: Supporting the United Nations Sustainable Development Goals

Corresponding chapter in the report	Responding to the SDGs of the United Nations	Summary
Integrity Practice with People		<p>We adhere to the anti-corruption philosophy of “focusing on prevention and management, supplemented by case crackdowns”. We have established complaint and reporting channels and handling procedures, strengthened integrity education for employees and supervision efforts over business processes, and actively created a cultural atmosphere of business integrity, in support of achieving the specific goals of SDG16 of the United Nations in terms of “significantly reduce corruption and bribery in all their forms” and “develop effective, accountable and transparent institutions at all levels”, and helping society to create a clean and just cultural atmosphere.</p>
Seeking Mutual Development with People	   	<p>In practice, our employee management system takes into account the requirements of each specific target of SDG3, SDG5, SDG8 and SDG10 of the United Nation, in order to help create a healthy and stable society based on equality. Adhering to the notion of being “people-oriented”, we have improved the human resources management system and established employee communication and complaint channels, in order to protect all employees from discrimination or differential treatment in the process of recruitment or work due to gender, age, religion, region or other factors. At the same time, we have created more jobs according to our development needs, while providing multiple benefits for our employees, such as medical examination, medical insurance, cultural and sports activities and employee training, in order to safeguard their rights and work benefits, so their talents may be unleashed in a decent and healthy working environment.</p>
Creating Pleasant Environment for People	  	<p>We pursue the strategy of “making green operation covering the whole project life-cycle”, promote the application of building energy conservation and emission reduction technologies, endorse prefabricated building and new technology construction system and the use of green and environmentally friendly materials in the process of construction, and advocate for waste classification and recycling and new energy charging station in the communities, actively reducing the impact of our operations on the local environment, in order to protect nature and cultural heritages, and contribute to the realization of specific goals of “reduce the adverse per capita environmental impact of cities”, “achieve the sustainable management and efficient use of natural resources” and “substantially reduce waste generation” of SDG11 and SDG12 of the United Nations.</p> <p>At the same time, we actively cooperate with Harvard University, along with other universities and institutions, to carry out research and application of passive ultra-low energy consumption buildings, actively explore ways to reduce building energy consumption and the emission of their greenhouse gas, in order to contribute to the realization of goals relating to mitigating climate change in SDG13 of the United Nations.</p>

Appendix II: List of Laws and Regulations and Internal Policies

ESG indicators	Scope	External laws, regulations and rules related to ESG	Internal policies related to ESG
A1 Emissions	Waste air and greenhouse gas emissions, sewage discharge, and discharge and handling of non-hazardous and hazardous waste	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 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	
A2 Resource use	Efficient use of energy, water and other raw materials	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	
A3 Environment and natural resources	Minimizing impact on the environment and natural resources	Regulations on the Administration of Construction Project Environmental Protection Regulations on the Administration of City Appearance and Environmental Sanitation 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	Policy for the Design of Green Buildings Policy for Special Appraisal on Green Buildings Policy for Green Property Management Criteria for the Building of Green Residential Culture Measures for Industrialized Management of Buildings Criteria and Standard of Evergrande Group for the Design of Green Residences (2019 Edition, One-star Level) Project Management Standard Series of Evergrande Real Estate — Safe and Civilized Construction Standards

Appendix II: List of Laws and Regulations and Internal Policies

ESG indicators	Scope	External laws, regulations and rules related to ESG	Internal policies related to ESG
B1 Employment	Compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	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 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 Recruitment and On-boarding Policy of Evergrande for Formal Employment of New Employees Labor Contract Management System of China Evergrande Group Policy of Evergrande on Labor Discipline Regulations on Payroll Computing Management of Evergrande Group Leading Cadre Selection and Appointment Management System of Evergrande Group
B2 Health and safety	Providing a safe working environment and protecting employees from occupational hazards	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	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
B3 Development and training	Improving employees' knowledge and skills for discharging duties at work	Fire Protection Law of the People's Republic of China Emergency Response Law of the People's Republic of China	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
B4 Labor standards	Preventing child and forced labor	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	Project Management Standard Series of Evergrande Real Estate — Safe and Civilized Construction Standards Management Rule of Personnel Transfer of China Evergrande Group Management Method on ERP Human Resource System of China Evergrande Group
B5 Supply chain management	Managing the environmental and social risks of the supplier chain	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 of Real Estate Group Annual Bid Margin Management Measures of First Bidding Center of Evergrande Real Estate Group Procurement Management System of Real Estate Group Nationwide Material, Equipment and Goods Purchase and Supply Management System of Real Estate Group Red Line Regulations on Supplier Management of Materials Companies Implementing Rules for the Assessment of Construction Companies

Appendix II: List of Laws and Regulations and Internal Policies

ESG indicators	Scope	External laws, regulations and rules related to ESG	Internal policies related to ESG
B6 Product responsibilities	Health and safety of products and services, protection for privacy information of customers and reasonable advertisement and marketing	<p>Product Quality Law of the People's Republic of China</p> <p>Regulations on Property Management (revised 2018)</p> <p>Tort Law of the People's Republic of China</p> <p>Copyright Law</p> <p>Trademark Law</p> <p>Patent Law</p> <p>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</p> <p>General Provisions of the Civil Law of the People's Republic of China</p> <p>Advertising Law of the People's Republic of China</p> <p>Cybersecurity Law of the People's Republic of China</p>	<p>Management System for Designing of Real Estate Group</p> <p>Management Measures on New Technology Construction System of Evergrande Real Estate Group (Trial)</p> <p>Measures for the Quality Control of Fully Furnished Materials of Real Estate Group</p> <p>Management and Assessment Measures for Unified Supply Materials and Equipment of Real Estate Group</p> <p>Guidebook on Property Service Scenarios</p> <p>Operation Guide on Project Management</p> <p>Operation Guide on Training Management</p> <p>Operation Guide on Warranty Management</p> <p>Management Rules of Pilot Project Property of Smart Community (Pilot)</p> <p>Service and Management Manual for Site of Star-level Cases</p> <p>Measures for the Administration of After-sales Services of Real Estate Group</p> <p>IPR Management System of Evergrande Group</p> <p>Measures for Marketing Management of the Group</p> <p>Confidentiality Rules and Regulations of Evergrande Group</p> <p>Management Measures on Information Security of Evergrande Group</p> <p>Technical Standard of Information Security of Evergrande Group</p> <p>Policy of Evergrande Group on Management of Archives</p> <p>Administrative Measures on Information System Security Vulnerabilities and Repair</p> <p>Measures for Emergency Management of Information System</p> <p>Management Measures for User Account of Information System</p> <p>Management Measures for Administrator Work of Information System</p>

Appendix II: List of Laws and Regulations and Internal Policies

ESG indicators	Scope	External laws, regulations and rules related to ESG	Internal policies related to ESG
B7 Anti-corruption	Preventing bribery, extortion, fraud and money laundering.	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 Measure
B8 Community investment	Participating in and promoting community development	Nil	Nil

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	Creating Pleasant Environment for People
A1.1	Types of emissions and respective emissions data.	Disclosed	Creating Pleasant Environment for People
A1.2	Total greenhouse gas emissions (calculated in tons) and (if applicable) density (calculated according to each output unit, and each facility).	Disclosed	Creating Pleasant Environment for People
A1.3	Total amount (in tonnes) and density (if applicable) of generated hazardous waste (calculated according to each output unit, and each facility).	Disclosed	Creating Pleasant Environment for People
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	Creating Pleasant Environment for People
A1.5	Description of measures to mitigate emissions and results achieved.	Disclosed	Creating Pleasant Environment for People
A1.6	Description of methods of handling hazardous and non-hazardous waste, measures and achievements of emissions reduction.	Disclosed	Creating Pleasant Environment for People
A2 General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Disclosed	Creating Pleasant Environment for People
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	Creating Pleasant Environment for People
A2.2	Total amount of water consumption and density (calculated according to each output unit, and each facility).	Disclosed	Creating Pleasant Environment for People

Appendix III: Content Index of the ESG Reporting Guide

ESG indicators		Disclosure	Corresponding chapters
A2.3	Description of energy use efficiency initiatives and results achieved.	Disclosed	Creating Pleasant Environment for People
A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved.	Disclosed	Creating Pleasant Environment for People
A2.5	Total amount (calculated in tons) and unit amount of packaging materials used in the finished product (if applicable).	N/A	—
A3 General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Disclosed	Creating Pleasant Environment for People
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	Disclosed	Creating Pleasant Environment for People
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, antidiscrimination, and other benefits and welfare.	Disclosed	Seeking Mutual Development with People
B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	Seeking Mutual Development with People
B1.2	Employee turnover rate by gender, age group and geographical region.	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	Seeking Mutual Development with People
B2.1	Number and rate of work-related fatalities.	Not disclosed, considering to be disclosed in future years.	—
B2.2	Lost days due to work injury.	Not disclosed, considering to be disclosed in future years.	—

Appendix III: Content Index of the ESG Reporting Guide

ESG indicators		Disclosure	Corresponding chapters
B2.3	Description of occupational health and safety measures.	Disclosed	Seeking Mutual Development with People
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Seeking Mutual Development with People
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not disclosed, considering to be disclosed in future years.	—
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Seeking Mutual Development with People
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	Seeking Mutual Development with People
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Disclosed	Seeking Mutual Development with People
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Seeking Mutual Development with People
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Seeking Mutual Development with People
B5.1	Number of suppliers by geographical region.	Disclosed	Seeking Mutual Development with People
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	Seeking Mutual Development with People
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	Helping People to Live in Contentment
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	—
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Helping People to Live in Contentment

Appendix III: Content Index of the ESG Reporting Guide

ESG indicators		Disclosure	Corresponding chapters
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Helping People to Live in Contentment
B6.4	Description of quality assurance process and recall procedures.	Disclosed	Helping People to Live in Contentment
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Disclosed	Helping People to Live in Contentment
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	Integrity Practice with People
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.	Not disclosed, considering to be disclosed in future years.	—
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Disclosed	Integrity Practice with People
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	Dispelling Worries and Relieving Burdens of People
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Disclosed	Dispelling Worries and Relieving Burdens of People
B8.2	Resources contributed (e.g. money or time) to the focus areas.	Disclosed	Dispelling Worries and Relieving Burdens of People



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