

# 2022 ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT COUNTRY GARDEN HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code:2007



# TABLE OF CONTENTS

01 About the Report

02 Statement of the Board of  
Directors

03 What is Country Garden?

04 Annual Message for 2022

## 05 RESPONSIBILITY: PROMOTING CARBON NEUTRALITY AND FULFILLING CORPORATE RESPONSIBILITY P/ 009

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- Green Construction Technology Accelerating Transformation
- Contributing to Carbon Neutrality with Venture Capital: Green Investment and Industrial Incubation

## 06 COUNTRY GARDEN IN STATISTICS P/ 012

---

## 07 ATTENTION-TO-DETAIL GOVERNANCE —RUNNING A TIGHT SHIP P/ 014

---

- Value Creation
- Corporate Governance
- Sustainable Development Management

## 08 QUALITY FIRST — CREDIBLE COUNTRY GARDEN P/ 032

---

- Craftsmanship
- Smart Innovation
- Devoted Services
- Win-Win for Multiple Partners



## 09 COUNTRY GARDEN THE GUARDIAN - GREEN DEVELOPMENT P/ 052

- Feature: A green urban future: A naturally-friendly city with resilience and carbon neutrality
- Environment Management • Green Operation • Green Products
- Sustainable Buildings • Green Leasing • Tackling Climate Change
- Green Construction • Green Office • Ecological Conservation

## 10 PEOPLE-ORIENTED COUNTRY GARDEN, YOUR COMPANION P/ 072

- Feature: Cultural induction to stimulate vitality
- Morality as the Top Standard • Talent Development as a Priority
- Respecting Talents • Care about Employees

## 11 BENEFICENT COUNTRY GARDEN; SHARED HARMONY P/ 096

- Feature: Deepen East-West Cooperation and Pair up to Help Revitalize Industries
- Supporting Rural Revitalization • Investing in the Community and Community Activities
- Charity and Social Services

## 12 OUTLOOK INTO 2023 P/ 111

- Appendix I: Honors
- Appendix II: KPIs on sustainable development
- Appendix III: List of Policies, Laws, and Regulations
- Appendix IV: Index of HKEX ESG Reporting Guide
- Appendix V: GRI Standards Index—Core Option
- Appendix VI: Comments and Feedback



# ABOUT THE REPORT

## Brief Introduction to the Report

Country Garden Holdings Company Limited (hereinafter referred to as "Country Garden", "the Group" or "we") (SEHK: 2007) is pleased to issue its 14th Sustainability Report/Environmental, Social and Governance Report (hereinafter referred to as the report). Based on past sustainability report/Environmental, Social and Governance Report, we hope to objectively disclose our vision, strategy and practice on sustainable development in a more comprehensive manner to increase stakeholder understanding of and confidence in the Group and to continue enhancing our sustainability-related performance.

## Reporting Scope

The report covers the period from January 1 to December 31, 2022; however, some events occur earlier or end later than this period. The report discloses the main strategy and practice of Country Garden's sustainable development with respect to its overall business. The economic and social KPIs released in the report are developed based on the Group's overall business, while the environmental KPIs include data on property development and hotel operations.

## Reporting Principles

This report is prepared as per the guidelines stipulated in the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited ("SEHK") (hereinafter referred to as ESG Reporting Guide) and take into consideration the Sustainability Reporting Standards issued by the Global Reporting Initiative (hereinafter referred to as GRI Standards) and Corporate Social Responsibility Guide for Guangdong Property Development Companies. A content index of the ESG Reporting

Guide is provided as an appendix to this report to facilitate readability. Following the initiative of the International Integrated Reporting Council, the report is consistent with the Group's financial reports, and outlines the financial information to consistently present information on Country Garden's financial and non-financial performance, enabling readers to have a more comprehensive view of our work. Unless otherwise stated, the currency used in this report is RMB.

## Reporting Process

The preparation of this report follows the above standards, including steps of peer benchmarking, business interview, field investigation, stakeholder communication, information collection, information verification, report collaboration and management approval.

## Information Sources

The information disclosed in this report originates from official documents, reports or public information of Country Garden and its affiliates. The Board of Directors is responsible for the truthfulness, accuracy and completeness of this report.

## Availability

The report is available in Chinese and English and published in electronic format. In the event of any discrepancy between the Chinese and English versions of the report, the Chinese version shall prevail. Please visit our official website: [www.countrygarden.com.cn](http://www.countrygarden.com.cn) or SEHK website: [www.hkexnews.hk](http://www.hkexnews.hk) to download the electronic version of this report.

# STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Country Garden attaches great importance to our sustainable development. We have put in place an effective environmental, social and governance structure as per the requirements of the ESG Reporting Guide, enhancing the oversight and participation of the Board in the Group's environmental, social and governance matters.

## ESG Governance

The Board of Directors is responsible for formulating the strategies and approaches at the Group's ESG level, while incorporating ESG factors into the decision-making process. The Group established the ESG Committee in May 2020, consisting of three executive directors and three independent non-executive directors. The terms of reference of the committee are defined in writing. An ESG Working Committee, set up under the ESG Committee, is chaired by the Group's President, who is responsible for its overall affairs. The ESG Committee is responsible for formulating and reviewing the Group's ESG responsibilities, vision, strategies, frameworks, principles and policies; enhancing the materiality assessment and reporting process; reviewing key environmental, social and governance trends as well as related risks and opportunities; monitoring and reviewing the work of the Group's ESG Working Committee and evaluating the Group's sus-

tainable development performance, and reporting to the Board of Directors.

## ESG Risk Management

Country Garden pays close attention to the potential impact on and related risks of ESG matters of the Company. We conduct materiality assessment of ESG issues through stakeholder surveys, expert assessment, Board discussion, etc., taking into account factors such as regulatory requirements, macro policies, and industrial ESG-related risks. Highly concerning about the ranking of the materiality of ESG issues, the Board has participated in the materiality assessment of the Group's ESG issues in 2022, and has approved and confirmed the analysis results of this year's material issues.

## ESG Target Management

Country Garden has set environmental performance-related targets as per the requirements of the ESG Reporting Guide. The Board has reviewed and discussed the setting of such targets, and will continue to monitor and review progress towards the targets.



# WHAT IS COUNTRY GARDEN?

Country Garden is a diversified technology company that creates a happy life for the world.

## We are Committed to Robotics Industry and Scientific and Technological Construction

Technology is advancing from day to day. In fact, the age of robots is already here. Country Garden is committed to scientific innovation. Our team attracts talents and draws upon their wisdom and strength. Today, we have over 30 thousand employees. Their combined brainpower channels the power of science to craft better lives for all and to make China a more technologically advanced country with high-quality development.

We established Bright Dream Robotics to develop smart construction robots and enhance intelligent level in engineering construction. Meanwhile, Bright Dream Robotics is also developing, manufacturing, and operating robots for catering, healthcare, agriculture, and home services.

We set up a technology-enabled construction group to create a technology-enabled construction system composed of construction robots, new prefabricated and smart construction equipment, BIM digitalization, etc., and strive to achieve the perfect combination of safety, quality, efficiency, environmental protection and technology, expand the business of undertaking property development and management projects for other parties, contracting, labor subcontracting and other businesses, lead and promote the transformation of the traditional construction industry.

## We Build Good Housing and Good Communities

Country Garden is committed to supporting China's new urbanization process. We bring true craft and care to the task of making homes that are safe, healthy, attractive, economical, practical, and long-lasting. We provide good and beautifully decorated homes, friendly green spaces for quality of life, comprehensive local amenities, and thoughtful resident services. We have brought modern living to over 1,400 towns around China, and more than 5 million people have chosen to make their homes in a Country Garden property. We are proud to have made an im-

portant contribution to the urbanization and modernization of our country.

## We are Active Supporters of Modern Agriculture and Rural Revitalization

We established Country Garden Agriculture to apply cutting-edge unmanned equipment to advance Chinese agriculture. It will help raise productivity and improve crop yields and quality. It is our contribution to the problem of feeding the world.

We also set up Bi You Xuan, a company that helps farmers set up planting and breeding bases with direct commercial links to urban markets. It delivers a wide range of safe, tasty, reasonably priced products straight from the fields to where urban shoppers live: services bringing a better life for every Chinese family.

## We are Committed to Fulfilling Our Social Responsibilities

We are deeply involved in public service and charity to promote common prosperity. Since its inception, Country Garden's founders and the Group have donated over RMB10 billion to charity, and actively participated in targeted poverty alleviation and rural revitalization in 57 counties of 16 provinces across the country, helping 490,000 people get rid of poverty. We will constantly contribute our share to consolidate and expand poverty alleviation achievements, building harmonious and beautiful villages suitable for living and work, and promote rural revitalization.

As a Hang Seng Index constituent company, incorporated in 1992, listed in Hong Kong since 2007 and a Fortune Global 500 company, Country Garden's average annual tax payment in the past three years exceeds RMB50 billion. We always adhere to the corporate culture with love for the Party and the country, stick to ethics, corporate social responsibility, and transparency, and make unremitting efforts to promote Chinese-style modernization and realize the Chinese dream of the great rejuvenation of the Chinese nation.

**Country Garden — Make the World a Better Place for Having Us in It.**

# ANNUAL MESSAGE FOR 2022

2022 is a significant year for us to embark upon a new trajectory of building a modern socialist country in all aspects and marching towards the goal of the second centenary, a key year for the comprehensive implementation of the 14th Five-Year Plan. For Country Garden, it is another year of hard work. Country Garden has consistently upheld the values of "being a sunshine enterprise with conscience and bearing social responsibility", and persisted in sustainable development while continuing to create economic benefits. We promote environmental, social and governance (ESG) work with serious and pragmatic attitude, and actively fulfill social responsibilities and transmit positive values, striving to build a harmonious eco-environment and creating new achievements in sustainability.

## Achieve Steady Development While Assuming Responsibility

Country Garden has always forged ahead and maintained a leading position in the market. On the general principle of "houses are for living not for speculation", we steadily consolidate our main business and develop affordable housing; taking people's peaceful settling down as our responsibility, we proactively serve the national strategy. Holding on to the development base, we strictly fulfill the responsibilities and obligations of listed companies, continue to improve the corporate governance capabilities, achieved high-efficiency governance and constant upgrade of operating strength. In 2022, Country Garden ranked 138th among the Fortune Global 500 companies, with the rank climbing up quickly for six consecutive years, witnessing our steadfast pace of constant progress.

## Promote Green Development to Protect the Environment

Green development is the fundamentals of corporate sustainability. Under the guidance of the national "dual carbon goals", all walks of life are actively arranging for green transformation. As a representative of real estate enterprises, Country Garden has taken the lead in setting an example, vigorously implementing policies from the dimensions of green construction, green building, green engineering, green operation, etc. While practicing eco-environment protection, energy conservation, emission reduction and consumption reduction, we also make breakthroughs in key technologies of zero-energy and zero-carbon buildings. By boosting production efficiency through digitalization and intelligence, promoting dual controls of energy consumption and carbon emissions, we advanced the industry towards a quality and sustainable development.

## Technology Enables Smart Construction

While continuing to strengthen and refine the main business of real estate, Country Garden actively taps into high-tech business fields. In 2022, we established a technology-enabled construction group to integrate high-quality industrial resources, and deeply focused on scientific and technological construction methods. 33 self-developed construction robots of our subsidiary Bright Dream Robotics, have been put into commercial application in over 600 projects in total, with a construction area of more than 10 million square meters. In terms of modern agriculture, we have had a presence in the whole agricultural industry chain, and formed three core business sectors, namely the modern seed industry, intelligent agricultural machinery platform and equipment manufacturing, and overseas agriculture.

## Strive Forward with One Heart and Mind

Country Garden regards talents as the core competitiveness of the enterprise and is committed to providing employees with a diverse, inclusive, warm and healthy working environment. We take positive measures in the process of operation to effectively protect the legitimate rights and interests of our employees. The Company strives to create an equal and harmonious cultural atmosphere and oppose all discrimination. In the meantime, we set up an employee support fund to provide care and convenience for underprivileged groups, carry out a variety of employee activities to enhance employee cohesion and sense of belonging, and guide employees to pursue a better life in a healthy and sustainable way.

## Giving Back to the Society

Country Garden is in the full conviction that devoting ourselves to public service and philanthropy is the embodiment of corporate mission and social responsibility. Country Garden has always regarded social responsibility as the cornerstone and obligation of sustainability of enterprises, and constantly support education, rural development and other social service undertakings. We have also formed a unique charity and public service system, helping to solve local people's livelihood issues, in a bid to heighten their sense of happiness, satisfaction and gain. We have been constantly enhancing our contribution to the society in a practical way.

In the past 30 years since its establishment, Country Garden has worked through thick and thin, staying true to its original aspiration, actively fulfilling corporate social responsibility, and giving back to the society wholeheartedly. In the future, Country Garden will also work with all stakeholders to forge ahead on the road of sustainable development.

## RESPONSIBILITY: PROMOTING CARBON NEUTRALITY AND FULFILLING CORPORATE RESPONSIBILITY

In the context of tackling climate change globally, China has proposed and accelerated the promotion of carbon peaking and carbon neutrality goals, fulfilling our responsibility as a major participant. Under the macro background of energy structure upgrading, ecological protection, pollution and emission reduction, the real estate industry has also accelerated its transformation to achieve high-quality sustainable development. As a responsible enterprise, Country Garden is committed to promoting our national "dual carbon goals". We practice green carbon reduction through green smart construction, green investment, etc., in the hope of contributing our own share in propelling the society to put in place the sustainable development strategy.

### Green Construction Technology Accelerating Transformation

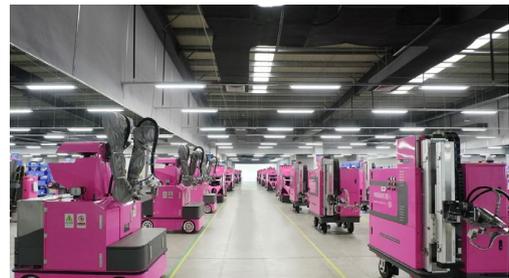
As a fundamental industry supporting the high-quality development of urbanization and infrastructure construction, the construction industry is also a major energy consumer and carbon emitter. Green technology makes the traditional construction industry more efficient and sustainable, and also achieves efficiency, quality, safety, environmental protection, cost-effective and other factors. To this end, Country Garden vigorously promotes technological and model innovation to accelerate the construction industry's green transformation and upgrade, by constantly exploring the path of high-quality and sustainable development of the construction industry. We strive to help achieve "carbon neutrality".

As one of the effective solutions to low efficiency, high pollution and high energy consumption of the construction sector, intelligent construction meets the needs of the current era for transformation and upgrading of the construction sector and manufacturing industry. For a long time, thanks to our high-quality and stable construction as well as digital and intelligent construction site management, Country Garden has improved operational efficiency, greatly reduced rework rate, reduced the waste of building materials, and effectively lowered carbon and pollutant emissions from the construction sector.

Bright Dream Robotics (hereinafter referred to as "Bright Dream") is committed to the R&D, production and application of construction robots, BIM digitization, new building industrialization, etc., promotes the intelligent transformation of the construction industry, and achieves efficient and high-quality development. As a practitioner of intelligent construction, Country Garden continues to explore technological and model innovation, increase the application of intelligent construction in all aspects of project construction, and thus improve project quality, safety, efficiency, and quality. We are currently conducting R&D of construction robots, which can be applied in the full-cycle processes of intelligent construction, including concrete construction & finishing, bricklaying & plastering, interior decoration, high-altitude exterior wall painting, and basement decoration.

#### Key Performance

As of the end of 2022, Country Garden had been working on the development of nearly 50 types of robots, with 28 types of construction robots having been put into commercial application and available for lease and sales, serving more than 600 projects in 30 provinces (municipalities and autonomous regions). We have delivered over 1,700 robots, which have been used in a total construction area of over 10 million square meters.



Smart Factory Display

## Contributing to Carbon Neutrality with Venture Capital: Green Investment and Industrial Incubation

With the continuous advancement of the national "dual carbon goals" work, the traditional energy structure and industrial structure have been gradually adjusted, and the economic development has also begun to move towards green transformation. As the development of green industries is inseparable from financial support and the realization of dual carbon goals requires significant social capital, emerging technologies and industries related to carbon neutrality need venture capital to cultivate and develop. With the rise of green investment and financing, Country Garden has established an equity investment division in 2019 to practice the concept of green and sustainable development. Guided by the strategy of "industrial empowerment and joint creation of value", we continue to increase investment in green and low-carbon technologies, new energy and other green industries.

### Equity Investment

According to the Investment Project Due Diligence Guidelines, we have introduced ESG factors such as corporate governance, compliance of employment relations, environmental protection, and production safety into the preliminary due diligence work, and incorporate them into the investment decision-making system as key factors.

Through forward-looking industry research, we continue to expand our investment in green and low-carbon fields such as new energy. In 2022, Country Garden invested in several enterprises that participated in carbon neutrality, continued to expand green business, and accelerated the development of green and low-carbon industries.

In 2022, Country Garden Venture Capital made significant investments in carbon neutrality

Investing in	Total amount of this round of financing	Financing stage	Key strengths	Mode of investment
Bluepha	/	B3 round	Bluepha is an enterprise engaged in molecular and material innovation based on synthetic biotechnology, committed to designing, developing, manufacturing and selling new bio-based molecules and materials, helping B-end customers in many industries such as consumer goods, food, medical, agriculture and industry to carry out differentiated competition in the industry.	Joint investment
Talent New Energy	/	A+ round	The R&D team of Talent New Energy owns international and domestic solid-state battery technologies developed in the past 20 years. Since the establishment of the company in 2018, the team has determined the oxide-based technology route and the gradual development path from solid-liquid hybrid lithium-ion batteries to all-solid-state lithium batteries.	Sole investment
ZOOLNASM	/	Angel round	ZOOLNASM is among the first group of core technology enterprises that promoted the industrialization of sodium-ion batteries. It is also the developer of the world's first natriumferric sulfate (NFS) battery. The development of the cost-effective NFS battery is due to the enterprise's in-depth research based on the polyanion-based technical route.	Sole investment
Infinite Solar	Tens of millions of RMB	Angel round	As the inheritor of the scientific research achievements of Tsinghua University's Solar Energy Conversion and Storage Laboratory, the enterprise has organized a core industrialization team with experts in a series of fields, such as thin-film solar cells, OLEDs, and semiconductor equipment, to develop high-efficiency, long-life, low-energy, and low-cost perovskite photovoltaic technology that can be applied in multiple scenarios.	Joint investment
GS Biotech	Tens of millions of RMB	Angel+ round	The enterprise focuses on the research into the catalysis for the conversion of biomass, which is mainly the bio-based compound 5-hydroxymethylfurfural (HMF). With HMF as the platform chemical, a series of derivatives of HMF can be produced through oxidation, hydrogenation, esterification and other reactions for the preparation of polyester, oil products, perfume and other terminal products.	Joint investment

Note: Only some items are listed above

## Industrial Incubation

This year, Country Garden Venture Capital and Poly Capital jointly incubated Guangzhou Poly-Country Garden New Energy Technology Co., Ltd.

Upholding its vision of adhering to the investment of distributed power stations as the core business, Poly-Country Garden New Energy takes new energy system solution provider as its long-term development direction, provides comprehensive and high-quality green energy and carbon saving services to industrial and commercial owners, and contributes its own efforts to China's carbon peaking and carbon neutrality goal.

In the future, Poly-Country Garden New Energy will continue to expand distributed photovoltaic power plants, energy storage, charging piles and supporting energy management and carbon management businesses, and strive to achieve an installed capacity of 8-10GW in 5 years, aiming to become the largest energy management and service provider for parks and communities in China in the future.



Poly-Country Garden New Energy Technology Co., Ltd, jointly incubated by Country Garden Venture Capital and Poly Capital

# COUNTRY GARDEN IN STATISTICS

## Business

Contracted sales attributable to shareholders

**357,470** million

Projects' geographic coverage in the mainland of China

**1,401** countries and towns **298** cities

Contracted sales attributable to shareholders

**44,501** thousand square meters

**31** provinces /autonomous regions / municipalities directly administered by the Central Government



## Finance

Business revenue (RMB)

RMB **430.37** billion

Gross margin

RMB **32.88** billion

Core Net profit

RMB **2.61** billion

## Environment

Number of green buildings	Cumulative number of green buildings	Area of green buildings constructed in 2022	Cumulative area of green buildings constructed
<b>42</b>	<b>1,039</b>	<b>9.61</b> million square meters	<b>230.77</b> million square meters
Number of sponge city projects constructed in 2022	Area of sponge city projects constructed in 2022	Energy saved due to renovation of outdated lighting facilities by Country Garden in 2022	
<b>39</b>	<b>300.67</b> square meters	<b>500</b> MWh	
Solar energy power generation	Coverage of lighting facilities renovation		
<b>943</b> MWh	<b>87%</b>		

## Society

Number of employees	Number of suppliers	R&D investment	Total number of patents authorized
<b>69,932</b>	<b>33,207</b>	RMB <b>2.164</b> billion	<b>4,071</b>
Safety training coverage	Cumulative donation		
<b>100%</b>	RMB <b>10.5</b> billion		

# 7

## Attention-to-Detail Governance Running a Tight Ship

### Overview

The Company continues to consolidate the foundation of corporate governance, maintain high-level corporate governance, practice the responsibility of lean development. Putting a premium on risk prevention, we have transformed the comprehensive and continuous optimization of corporate governance model into a strong joint force by constantly improving and standardizing internal governance to promote the Company's high-quality development. We insist on integrating the concept of sustainable development into our daily operation and management, actively respond to the concerns and expectations of stakeholders, and work together with all sectors of society on the road of sustainability and share the fruits of development.

### Topics Discussed in this Chapter

Sustainable development topics discussed in this chapter:

Compliance and clean governance

Intellectual Property protection

Setting sustainable development goals

Operating performance and investor's interest

Communications with stakeholders

Risk management

Industrial development

### SDGs discussed in this chapter





## Value Creation

### Operating Performance

In 2022, the real estate industry has gone through unprecedented challenges and witnessed a severe situation, and the sales rate were declining. Country Garden actively responded to the changing situation, and spared no efforts to tackle the sever challenges, scrupulously fulfilled its social responsibility. Meanwhile, adhering to thee general principle of “houses are for living not for speculation”, we actively explore new development models and seek to transform to intelligent production and light asset deployment.

#### Key Performance

- In 2022, Country Garden ranked 138th among the *Fortune Global 500* companies, climbed in six-consecutive years ,coming out top in the real estate sector on the list.

### Transparent Operation

Country Garden insists on communicating and interacting with investors in a variety of ways, proactively listening to the voice of investors in the capital market, and conveying the company's value to the capital market in a positive and efficient way.

### Protect Investors' Interests

Country Garden is highly concerned with information disclosure, enhancing our information disclosure management to improve corporate transparency. We disclose the Group's business performance, development strategy, latest business situation and sustainable development performance to different investors, and ensure the truthfulness, accuracy, complete and timeliness

of information disclosure, strictly protecting investors' right to know, so as to enhance investors' confidence in Country Garden's development. Meanwhile, we have also established a dedicated investor relations team to summarize and analyze the capital market dynamics in a timely manner, and systematically report various information to the management.



**Multi-channel**

Conduct intensive multi-channel communication through the network, field study, meetings, etc., to meet the requirements of shareholders and investors in real-time.



**Greater information disclosure**

Create the Investor Relations section on our official website to better communicate with shareholders. We improved monthly corporate communication and performance presentation, and delivered more detailed categories of information.



**Open and targeted communication**

Organize activities including announcement of annual results, analyst meetings, reverse roadshows, executive exchanges and reception day to investors; participate in roadshows held by financial institutions in the Asia Pacific and Europe.



**Respond to inquiries on ESG**

Actively answer ESG questions from investors both at home and abroad, explaining to them the latest status of corporate governance and EHS management while improving our own ESG management system.



## Key Performance

- In 2022, Country Garden participated in over 400 investor exchange activities organized by mainstream domestic and international seller agencies.

## Corporate Governance

### Compliance

In accordance with relevant laws and regulations in Hong Kong, Mainland China and Cayman Islands as well as the Rules for the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company's Article of Association, Country Garden constantly improves its compliance structure and governance, focusing on achieving and maintaining a high-quality Board of Directors, sound risk management and internal control, and high transparency and accountability to shareholders. Both the Board and the management of Country Garden abide by well-designed corporate governance rules with an aim for prudent management and value creation for shareholders. We also continuously improve the management of information disclosure, strengthen

### Responsibilities of the Board

The Board of Directors is responsible for leading and monitoring the Group, and its members steer and supervise the management of the Group affairs. As the highest governance body, the Board is responsible for the overall governance, supervision, and regular review of Country Garden's business so as to bring long-term

and improve internal governance in order to standardise the operation of corporate.

In 2022, Country Garden strictly implemented all of its existing corporate governance policies to ensure all the decisions making were based on trust and fairness, and were disclosed in an open and transparent manner to protect the interest of all shareholders, particularly the minority shareholders.

For more details about Country Garden's work on compliance, please refer to the Corporate Governance Report in the 2022 Annual Report.

benefits to the Group and stakeholders. We regularly convene board meetings to evaluate and consider proposed transactions, and to review and approve the Company's interim and annual results.

## Key Performance

- In 2022, Country Garden convened 11 Board meetings

In order to strengthen the function of the Board of Directors, seven committees were set up, namely Finance Committee, Executive Committee, Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee, and the ESG Committee. The ESG committee consists of three executive directors and three independent non-executive directors, and sets out its terms of reference in writing. The ESG Committee is mainly responsible for formulating the Group's environmental,

- The average attendance rate of Board for Board meetings was 98.6%

social and governance objectives, strategies and policies, as well as ESG's work plan and implementation path, while enhancing the environmental, social and governance level by strengthening communication with stakeholders on sustainability issues.

For more details about Country Garden's Board and committees, please refer to the Corporate Governance Report in the 2022 Annual Report.

### Diversified Board of Directors

Country Garden has adopted a board diversity policy. The following factors are considered in the selection of Board members to achieve diversity, including but not limited to gender, age, educational background, professional experience, skills and knowledge, industry experience, ethnicity and race, cultural background, and other related factors from time to time. With their different opinions, experience, and perspectives, the directors will help the Group to better cope with complex environments and achieve balanced and sustainable corporate development.

### Key Performance

- As of the end of 2022, the Board has 13 members, including 7 executive directors, 1 non-executive director, and 5 independent non-executive directors. Among them, there are 3 female directors, the average tenure of board members is about 10 years and 2 independent non-executive directors with specified industry experience.

## Risk Management

### Risk Management and Internal Control System

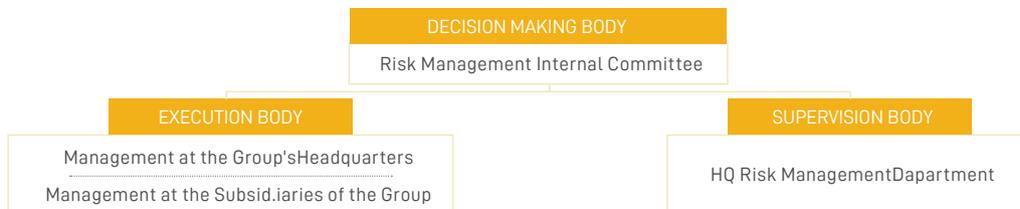
Since its inception, the Company has always placed a high value on the construction and improvement of risk management and internal control. We have established the Group's risk management and control system with reference to the COSO risk management and internal control framework. The system makes it clear that the Board of Directors and management at all levels

are responsible for maintaining and ensuring the effective operation of the risk management and control system, and the Group's Risk Control and Audit Department is responsible for maintaining and ensuring the effective operation of the risk management and control quality assurance and supervision system.

### Risk Management Framework

In order to enhance and continuously improve the effectiveness of the system, the Group has developed a risk management framework consisting of Risk Management Internal Committee, Risk Management Execution Body, and Risk Management Supervision Body to ensure proper operation of the "decision-making-execution-supervision" mechanism from the group level to all business processes.

### Country Garden's Risk Management and Internal Control System



### Risk Management System

Country Garden's risk management system is based upon the theory of three lines of defence, which encompasses internal control over business processes and activities (front-line control), risk management at Group's level (headquarters risk management mechanism and systematic control) as well as risk management quality assurance and supervision (internal audit and independent supervision).



### Risk Management Quality Assurance and Supervision Mechanism

There are three main components of Country Garden's risk management quality assurance and supervision system. First, the overall risk management system. The Group's executives work together with external risk management experts on a regular basis to identify major risks that potentially have group-level impact and to follow up and review preparedness plans, implementation status as well as operational soundness. Second,

#### Overall Risk Management System

Country Garden continuously optimizes the Group's overall risk management system. And the Group gradually constructs the key risk indicators system covering the company level, the BUs level and business processes. Moreover, the system could constantly make improvement on the ability of the system to identify risks and issue alerts in a dynamic, digital and visualized manner.

The risk management and audit department of the Group also identifies and evaluates major risks at the group level in the form of discussions among management, data analysis and question-

naire survey, which are performed in combination with industry risks, policy changes, the Group's strategic adjustment as well as risk events. The risk-oriented internal audit plan will be formulated accordingly to check the effectiveness against countermeasures implemented in response to relevant risk events. In 2022, the significant risk issues identified include: macroeconomic environment and policy response risks, product positioning and competition risks, financing debt repayment risks, project centralized delivery risks, organizational structure and authorization control risks, etc.

### Country Garden's Framework on Risk Management, Quality Control and Supervision System



naire survey, which are performed in combination with industry risks, policy changes, the Group's strategic adjustment as well as risk events. The risk-oriented internal audit plan will be formulated accordingly to check the effectiveness against countermeasures implemented in response to relevant risk events. In 2022, the significant risk issues identified include: macroeconomic environment and policy response risks, product positioning and competition risks, financing debt repayment risks, project centralized delivery risks, organizational structure and authorization control risks, etc.

### Internal Audit System

Since 2015, Country Garden has been carrying out self-evaluation on effectiveness of internal process control (referred to as internal control self-evaluation) at least twice a year. An "integrated risk management" information system has been set down to support the efficient operation of this mechanism which fully covers all the key BUs and organizations at all levels of the real estate

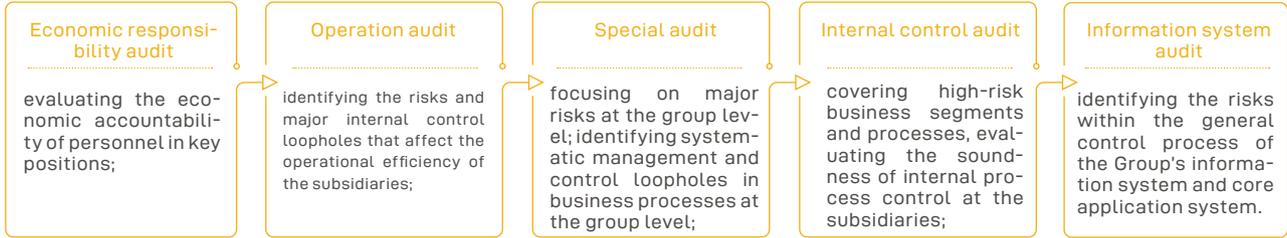
sector. A culture of "internal accountability by all" has come into shape. The Group is committed to optimizing the internal control self-evaluation system with a focus on self-inspection and self-correction at key risk control points, and improving the efficiency and effectiveness of internal control self-evaluation.



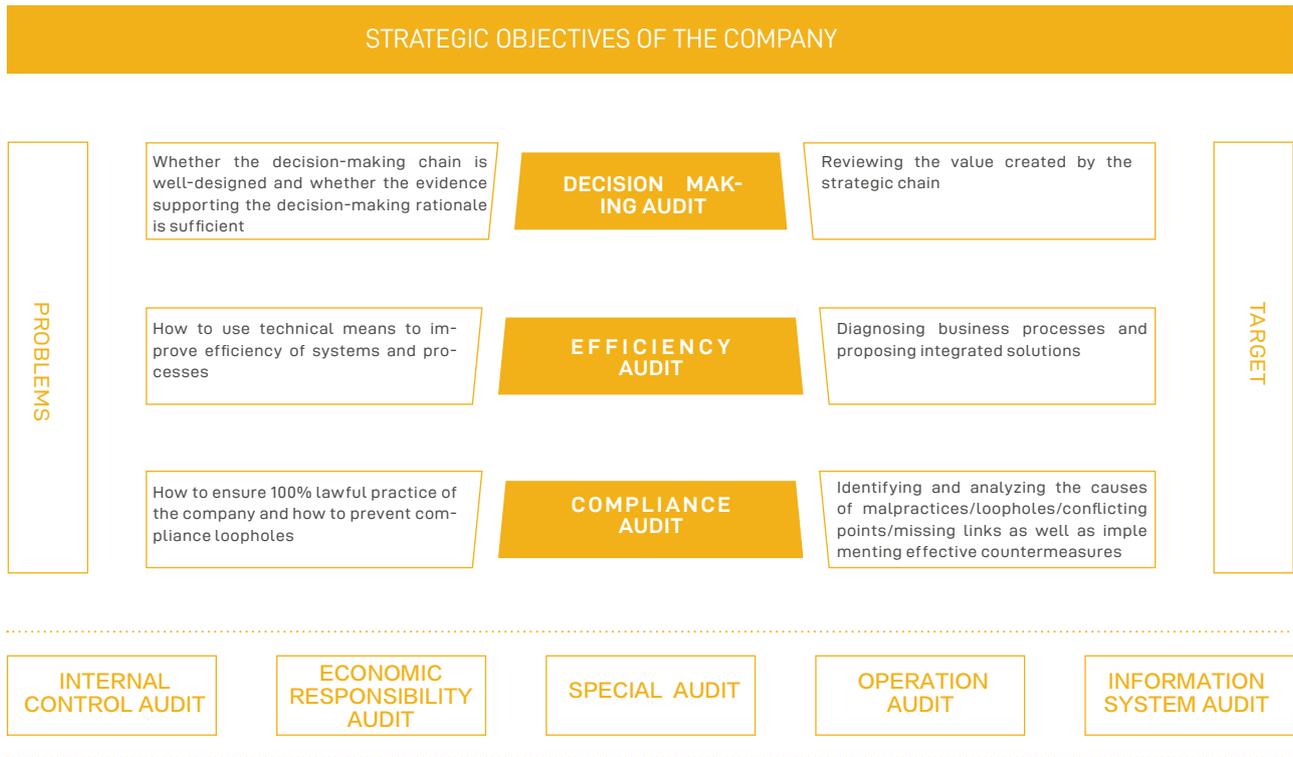
### Internal Audit System

Since the establishment of audit department in 2000, Country Garden has been developing and improving its internal audit system. Since 2014, the Group has further strengthened the supervision function of the risk management arm, improved the organizational and overall planning capacity of internal audit and implemented risk-oriented internal audit mechanism, constantly lifting the efficiency and effect of internal audit by leveraging information platform and technical support. The Group's internal

audit focused on identifying systematic problems at the group level and enforcing rectification. Our effort led to the establishment and optimization of control mechanism at the group level and at key business processes and systems level. Economic responsibility audit was introduced for key positions to promote the implementation of the accountability mechanism of the Group. Key audit types include:



**Internal Audit Framework of Country Garden**



## Anti-Corruption and Anti-Fraud

Country Garden Group has always upheld the core values of "being a sunshine enterprise with conscience and bearing social responsibility" consistently, adheres to the philosophy of doing business in the sunlight. Through a series of training and posi-

### The Deterrence Mechanism to Disincentivize Corruption

Country Garden has always practiced the transparent corporate culture, and has zero-tolerance towards fraud and corruption. Through ongoing development and improvement of the Group's anti-fraud system, and the enhanced investigation and punishment of potential corruption and fraudulent acts to gradually create a cultural environment with deterrence that disincentivizes corruption within the Group.

The Group has formulated a series of systems including the Manual of Internal Control Audit and Supervision, the Regulations on the Management of Employees' Work Conduct, and the Measures for the Accountability of Employees' Violations of Regulations and Discipline. The Group has specified 140 prohibited behaviors in 14 categories, including conflicts of interest, extortion and acceptance of bribes, and professional embezzlement, and established corresponding punishment measures. Centering on core positions and key personnel, the Six Provisions on Improving the Work Style of Managers was issued, which clearly identifies the

tive publicity and guidance to enhance employees' recognition and practice of the Group's transparent philosophy, aiming to build a clean culture that employees realize the importance to be against corruption.

style behaviors that are advocated and opposed from six aspects, namely the due diligence, clear distinction between public and private, being practical, promoting competent members, performance appraisal, and moral standard. The Group's Supervision Department conducts investigations according to the system, and levies severe punishments for violations of regulations and disciplines, forming a strong deterrent force that disincentivizes fraud and corruption. In 2022, the Company broadened the field of fraud investigation, and worked with each center to conduct case investigations, promptly identify fraud risks, and further improve anti-corruption and anti-fraud mechanisms.

In 2022, the Reporting System of Country Garden Group was further refined based on original system and regulations. In order to safeguard the smoothness and efficiency of reporting channels, the independent supervision channel was added for Audit Committee, and the reporting paths were also disclosed to public.



Reporting hotline

0757-26395969 Ext.4



Reporting email

jtjcb@countrygarden.com.cn



Mailing address

Supervision Department, No. 1 Country Garden Road, Beijiao Town, Shunde District, Foshan, Guangdong Province, The PRC  
Suite 1702, 17/F., Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.

### Mechanism that Leaves no Loophole for Corruption

Country Garden Group is in the conviction that creating the anti-fraud mechanism is the common responsibility of the entire group, all departments and every employee. By building three lines of defense for risk management and control, the Group has put in place an internal control mechanism that leaves no loopholes for corruption, to effectively prevent, control and supervise potential fraud and corruption. Country Garden's front-line business departments and functional centers of its headquarters have taken the initiative to establish a complete internal control mechanism to prevent risks of fraud. Meanwhile, the Audit Department of the Group conducts independent assessment and verification of its internal control quality to ensure the effective operation of the current internal

control mechanism. The Supervision Department of the Group investigates and follows up on potential acts of fraud, and demands corrective actions to facilitate the continuous improvement and self-renewal of the internal control mechanism. The Risk Control Department of the Group has established a related risk indicator system to proactively identify and continuously monitor risks of fraud so as to facilitate effective prevention of potential fraud. In summary, Country Garden Group has built an internal control mechanism that leaves no loophole for corruption through the effective linkage of the three lines of defense of risk management and control, and the continuous self-updating of the internal control mechanism.

### Building a Clean Culture

Characterized by capital-intensity, the real estate business exists possibilities for corruption and fraud in many links of corporate and project operation. Country Garden has always paid close attention to anti-corruption and anti-fraud, adheres to the strategy of "punishment and prevention goes hand in hand with prevention

being the key"; it has gradually established the triple-prone governance system that is based on the deterrence mechanism to disincentivize corruption, a mechanism that leaves no loophole for corruption, and cultivates a honest culture.

- 
- The Group and the regional levels continue to conduct a variety of themed integrity training and educational publicity which cover all the employees so as to promote compliant management and make the sunshine philosophy of transparency deeply rooted in the hearts of employees.;

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  - The Group demands the management and employees to participate in activities such as declaration of conflict of interest and signing of commitment to integrity and self-discipline each year, practice sunshine cultural philosophy with action, and effectively guiding all employees towards the recognition of the core values of the Company;

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  - The Group conducts employee satisfaction questionnaire surveys annually to encourage them to reflect the work style of executives, organize the management to carry out self-inspection in response to the Six Provisions on Improving the Work Style of Managers, and comprehensively implement the spirit of "integrity and self-admonition";

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  - For external business partners, Country Garden continues to strengthen the coverage of anti-fraud mechanisms. When signing procurement contracts, construction project contracting agreements, project cooperation agreements, etc., the Group requires the external partners to sign an integrity agreement at the same time, in an effort to jointly maintain a clean and healthy business environment.
- 

### Key Performance

- 26 online courses in total on anti-corruption policies have been developed.
- 4 regional face-to-face trainings and 26 special BUs anti-corruption training sessions were organized.

### Anti-Unfair Competition

Country Garden scrupulously follows the Anti-Unfair Competition Law of the People's Republic of China and other laws and regulations, encourages and protects fair competition, stops acts of unfair competition, protects the legitimate rights and interests of operators and consumers, and guarantees the healthy development of the socialist market economy. The Group respects the intellectual property rights of others, has put in place a risk control system, screens the trademarks and product names used, and prevents any improper means such as forgery, false use and

release of false information to engage in market transactions and damage the interests of competitors. We have developed an information security system, stipulating that the trade secrets of others shall not be infringed upon, and the technical and business information of others shall be kept confidential. In addition, we are committed to maintaining the order and stability of the market economy. We do not seek to squeeze out competitors or engage in malicious competition at below-cost prices.

## Intellectual Property Protection

Scientific and technological innovation take the trend of the times, the Company insists on its transformation to high-tech enterprise unwaveringly, and is committed to becoming the leader in the field of intelligent construction in China. In 2022, the Intellectual Property Administration Committee was established to further intensify intellectual property protection and optimize the management system of intellectual property. Moreover, the Company adopted the dual mechanism, namely the approach of joint action with multiple parties and the realization of the "streamline the governance, improve services and delegate power" to subsidiaries, promoting the Group and its subsidiaries yielded fruitful achievements. Guangdong Bright Dream Robot-

ics Co., LTD, a subsidiary of Country Garden, has conducted intellectual property risk control and made overall arrangement for high-value patents, and gives full play to its leading role in intellectual property innovation. While Country Garden Agriculture Holdings Co., Ltd. has set up a dedicated legal and intellectual property department to ensure compliance in all work. In addition, the Company firmly supports the industry to regulate IPR protection. Some of our subsidiaries have joined the Guangdong IP Protection Association and Foshan Intellectual Property Association to protect research achievements together with our business partners.

Country Garden's Achievements on Intellectual Property as of the End of 2022

	Patent		Trademark		Copyright
	Pending	Granted	Pending	Registered	Registered
Headquarters	15	5	1963	1627	259
Technology-enabled Construction Group	665	570	382	367	161
Bright Dream Robotics	3408	2072	1362	1076	254
Zhumei Interior	606	536	607	366	12
Foodom	789	647	477	470	64
Country Garden Agriculture (subsidiaries included)	354	203	392	361	17
Other sections	129	38	310	261	31

## Sustainable Development Management

### Sustainable Development Orientation

Country Garden makes unremitting efforts to popularize the concept of sustainable development. We are committed to sustainable development path, the long-term cause for the Group. To this end, we have been reinforcing self-monitoring and assuming corporate social responsibilities, mainly including:

- Elevating sustainable development to the Group's strategic level and incorporating it into the operation development plan;
- Integrating with the business and launching various activities of sustainable development;
- Setting up sustainable development policies step by step and ensuring the implementation of sustainable development concept throughout the whole value chain.

### Sustainable Development Vision

Make the World a Better Place for Having Us in It.

### Sustainable Development Mission

Maintaining and improving the Group's long-term economic, ecological and social capital to achieve sustainable development; Managing and handling the associated risks properly with sustainable development.

## Sustainable Development Governance Structure

### Reinforcing the Participation of the Board

Country Garden is bound up with sustainable development. We have established the governance structure of sustainable development consisting of Board committees, management departments, and business units. Firstly, the Board is responsible for ESG risk management and information disclosure, developing overall policies on sustainable development governance, and supervising their implementation. The ESG committee makes plans according to demands, organizes meetings concerning sustainable development, and proposes improvement recommendations by further enhancing the degree of collaboration between

the Board of Directors and heads of various departments, thus enhancing the Group's endeavor of sustainability and seeking sustainable value for the Group's development as well as for the stakeholders. Secondly, we established a mechanism for sustainable development information exchanges and disclosure to promptly disclose credible information in response to regulatory requirements and stakeholders' expectations. Thirdly, sustainable development governance structure is supervised at all levels, covering every stage from policy-making and communication to execution.

### Sustainable Development Governance Structure



### Members of the ESG Committee



### Environmental, Social and Governance Working Committee (ESG Working Committee)

Country Garden has set up the ESG Working Committee under the ESG Committee. It is chaired by Mr. MO Bin, President of the Group, who is responsible for the overall affairs arrangement of the ESG Working Committee. In 2020, Country Garden revised and updated the Regulations of ESG Working Committee of Country Garden, specifying the responsibilities and rules of procedure of ESG Working Committee. It also serves as guidance for improving the strategic research and planning of the Group's sustainable development and for strengthening the management capacity and preparation for risks associated with environment and society. The working group of ESG Working Committee is the routine office that is responsible for the preparation of meetings and the implementation of related resolutions of the ESG Work-

ing Committee.

At the same time, in order to enhance the Board's participation in sustainable development issues, we hired third-party professional consultants to conduct ESG specific training for the Board. During the training, the Board of Directors was fully aware of the concerns of investment, rating and regulatory agencies on ESG disclosure, had an in-depth understanding of Country Garden's current ESG governance status, and other key issues such as improvement of business operation through sustainability etc., and actively participated in the interactive communications, effectively enhancing the ESG governance.

### Supporting the SDGs of the United Nations

UN Global Compact, a framework initiated by the United Nations, aims to mobilize responsible and innovative companies to support social sustainability for the benefit of all. As a member of the Compact, Country Garden puts the ten principles of four areas including human rights, labor, environment, and anti-corruption into practice to guide our social responsibility fulfillment.

Setting our sustainable development goals in accordance with

the UN Global Compact, Country Garden strives to create value for stakeholders in five areas, including product responsibility, environment responsibility, talent responsibility, partnership responsibility, and community responsibility. In the year of 2022, we remain committed to our goals and stay true to our founding vision. We are dedicated to fulfilling our corporate social responsibilities and promoting the sustainable development of the Country Garden Brand.

Sustainable Development Scope	SDGs OF REFERENCE	Strategic Goals (Qualitative Long-Term Goals)	Actions	Progress in 2022
Responsible for Our Products	  	Building products that are model homes with sound processes; providing smart, convenient, and warm products and services via industrial crossovers and diversification	Customer satisfaction survey; Strengthening intellectual property management; Marketing compliance audit; Supplier evaluation criteria; Supplier management system; Supplier communication	Country Garden actively pursues safe and civilized construction sites and has won 475 titles and awards in the national, provincial or municipal safety civilization standardization programs  The customer satisfaction results of Country Garden's products and services have been improved

Sustainable Development Scope	SDGs OF REFERENCE	Strategic Goals (Qualitative Long-Term Goals)	Actions	Progress in 2022
Responsible for Our Environment	   	With building habitable homes as the objective, we aim to build green architectures and green communities, leading the industry in green development and upgrading	Vigorously develop green building; Promote green construction; Practice green operation; Tackle climate change; Pay attention to biodiversity protection	The green and intelligent construction sites are built as Bright Dream Robotics is developing 50 types of robots, 28 of which have been applied to construction sites exceeding 10 million square meters The green buildings built by Country Garden won 42 certificates with a total construction area of 9.61 million square meters
Responsible for Our Communities	  	Being a transparent company with a sense of responsibility for society, we will play to our strength to give back to the communities, to address poverty and to solve social problems, achieving win-win results	Respond to rural vitalization; Organize public donation; Carry out volunteer activities; Launch education on charity; Co-organize sports activities for public interest; Care for vulnerable group	The Group actively implements targeted poverty alleviation and rural revitalization, and has donated over RMB10.5 billion to China to assist 3.43 million people, participated in targeted poverty alleviation and rural revitalization in 57 counties in 16 provinces, and helped lift over 11,420,000 people out of poverty over the years Country Garden has developed welfare housing projects with a total construction area of 12.82 million square meters, settlement houses with a total construction area of 7.22 million square meters, multiple affordable apartments with a total construction area of 2.48 million square meters, and social security housing for talents with a total construction area of 1.21 million square meters
Responsible for Our Employees	   	Sustainable development being integrated into corporate governance and business development to realize long-term, stable and healthy growth; incentivizing staff to create greater value	Equal employment; Elimination of occupational discrimination; Employee training plan; Multiple career development channels; Well-designed salary system; Occupational safety and health training; Occupational safety and health guarantee	Multiple influential employer brand activities were created Significantly increase the number of cooperative medical examination institutions nationwide to further guard the occupational health of employees
Responsible for Our Partners		Being pioneers of the nation's new urbanization, leveraging technologies to drive industrial growth and create a smart and diversified ecosystem	Evaluation standards on suppliers; Management system of suppliers; Communication with suppliers	Carry out joint sampling of materials, and conduct random inspection on 742 batches of 5 major types of materials in 32 regions

## Communication with Stakeholders

Country Garden believes that cooperation with stakeholders can give continuous impetus to its transformation. Therefore, a real-time, long-term, and efficient communication mechanism has

been developed with different channels to explore the needs and expectations of stakeholders and society. The Company thus can respond to them with concrete actions.

Stakeholders	Expectation and Demands	Communication and Response Methods
 Staff	<ul style="list-style-type: none"> <li>● Protection of rights and interests</li> <li>● Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>● Promotion and development</li> <li>● Work and life balance</li> <li>● Employee's feedback</li> <li>● Care for the employees' events</li> <li>● Employee training</li> <li>● OA, BBS for staff and corporate culture WeChat account</li> </ul>
 Investor and shareholders	<ul style="list-style-type: none"> <li>● Risk management</li> <li>● Information disclosure</li> <li>● Participation in decision-making processes</li> </ul>	<ul style="list-style-type: none"> <li>● ROI and growth</li> <li>● Corporate governance</li> <li>● Information disclosure of public companies</li> <li>● Investors' visits</li> <li>● Investor briefing</li> <li>● Shareholder's annual meeting</li> </ul>
 Owners and customers	<ul style="list-style-type: none"> <li>● Product quality and safety</li> <li>● Service with premium quality</li> </ul>	<ul style="list-style-type: none"> <li>● Privacy protection</li> <li>● Customer satisfaction survey</li> <li>● Customer compliant channels</li> <li>● Community activities</li> <li>● Social media and corporate journals</li> </ul>
 Suppliers and business partners	<ul style="list-style-type: none"> <li>● Fair, just and transparent</li> <li>● procurement safety of supply chain</li> </ul>	<ul style="list-style-type: none"> <li>● Supplier support</li> <li>● Financing safety of supply chain</li> <li>● Supplier evaluation</li> <li>● Supplier congress</li> <li>● Visits and investigations</li> <li>● Seminars and training</li> </ul>
 Local communities	<ul style="list-style-type: none"> <li>● Building habitable homes</li> </ul>	<ul style="list-style-type: none"> <li>● Giving back to the community</li> <li>● Community activities</li> <li>● Corporate journals</li> </ul>
 Peers and industry associations	<ul style="list-style-type: none"> <li>● Fair competition</li> <li>● Exchange of industry experiences</li> </ul>	<ul style="list-style-type: none"> <li>● Building development consensus</li> <li>● Exchanges on corporate culture</li> <li>● Communication with the industry</li> </ul>
 Charitable organizations and NGOs	<ul style="list-style-type: none"> <li>● Understanding impact on the community</li> <li>● Charity</li> </ul>	<ul style="list-style-type: none"> <li>● Communication with communities</li> <li>● Field visits</li> <li>● Social services</li> <li>● Charity events</li> </ul>
 Government departments and regulators	<ul style="list-style-type: none"> <li>● Lawful corporate citizen</li> <li>● Credible taxpayer</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance of operation</li> <li>● Field visits</li> <li>● Government-led projects</li> <li>● Participation in decision making and recommendations</li> </ul>
 General public	<ul style="list-style-type: none"> <li>● Transparent information disclosure</li> <li>● Supporting social progress</li> </ul>	<ul style="list-style-type: none"> <li>● Poverty relief</li> <li>● Attention to vulnerable groups</li> <li>● Charitable activities</li> <li>● Information disclosure</li> <li>● Social media and communication with the media</li> <li>● Monitoring of public opinion</li> </ul>

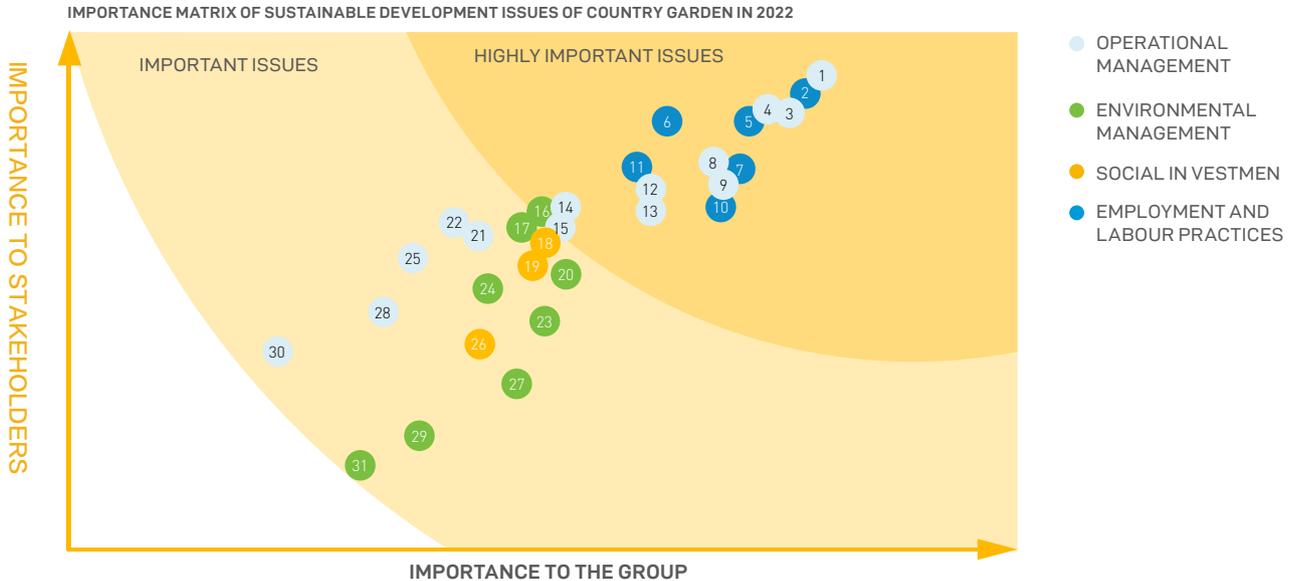
## Strategic Management on Key Issues

Country Garden attaches great importance to strategic management of important issues and hires a third party every year to conduct surveys on all stakeholders, understanding the major issues that the stakeholders consider important for the corporate operations, asking them to rank the major issues they believe the Group is facing based on significance. Their suggestions and expectations on the Group's sustainability are important references for the management.

- Identify issues and their influence sphere: The Company's development strategy, industry development trend, institutional regulatory requirements and capital market expectation, as well as domestic and foreign social responsibility disclosure standards and other factors are comprehensively considered. The list of major issues is further refined from the four dimensions of economy, environment, society and governance .

- Carry out significance investigation: Online questionnaire is designed to collect comments and suggestions from internal and external stakeholders on the topic by combining topic scoring and open questions. The questionnaire is opened through channels like Yuanbao APP, the Group's intranet, official WeChat accounts of the Group's corporate culture, WeChat groups etc., to listen to the voices of employees at all levels and lines.

- Determine the level of significance: The results of the survey are statistically analyzed and the employees' suggestions are collected. The issues related to sustainable development are classified into issues of highly important, medium important and low important in line with the scores of the issues. Initial findings will be taken to the Board for deliberation, and highly important issues and importance matrix will be finalized for disclosure.



Country Garden believes that cooperation with stakeholders can give continuous impetus to its transformation. Therefore, a real-time, long-term, and efficient communication mechanism has

been developed with different channels to explore the needs and expectations of stakeholders and society. The Company thus can respond to them with concrete actions.

### List of Key Issues and the Scope and Influence

	No.	Key Issues	Stakeholders	Scope and Influence		Chapter Covering the Topic
				Internal	External	
ISSUES OF HIGH SIGNIFICANCE	1	Product quality and safety	Regulators, Customers, General Public, NGO, Employees	✓	✓	8.1
	2	Employees' health and safety	Employees	✓		10.2
	3	Customer service and satisfaction	Customer service and satisfaction	✓	✓	8.3
	4	Customer privacy and information security	Regulators, Customers, General Public	✓	✓	8.3
	5	Employees' rights and care	Regulators, Employees	✓		10.4
	6	Prohibition of child labor and forced labor	Regulators, NGO, Local Communities	✓	✓	10.1
	7	Talent recruitment and team building	Employees	✓		10.1
	8	Risk management	Investors, Employees, Customers, General Public	✓		7.2
	9	Compliance management and integrity construction	Investors, Employees	✓	✓	7.2
	10	Staff training and development	Employees	✓		10.3
	11	Equal employment and employee communication	Regulators, Employees	✓	✓	10.1
	12	Set sustainable development goals	Regulators, Local Communities, Investors	✓	✓	7.3
	13	Supply chain environment and social risk management	Suppliers and Business Partners	✓	✓	8.4
	14	Operating performance and investors' equity	Investors, Employees, Customers, General Public, Regulators	✓	✓	7.1
	15	Industrial development	Regulators, Peers, General Public	✓	✓	8.2
	16	Carbon neutrality	Regulators, Investors, Local Communities, Customers, General Public	✓	✓	5
	17	Water resources utilization and sewage treatment	Regulators, Local Communities, Customers, General Public	✓	✓	9.4

## List of Key Issues and the Scope and Influence

ISSUES OF SIGNIFICANCE	No.	Key Issues	Stakeholders	Scope and Influence		Chapter Covering the Topic
				Internal	External	
	18	Policy response and public participation	Regulators, General Public, NGO	✓	✓	8.4
	19	Community development and social influence	Local Communities, General Public, NGO	✓	✓	11.3
	20	Energy saving, emission reduction, and green operation	Regulators, Local Communities, General Public	✓	✓	9.4
	21	Stakeholder communication	Employees, Investors, Customers, Suppliers and Business Partners, Local Communities, Peers, NGO, Regulators, General Public	✓	✓	7.3
	22	Intellectual property protection	Regulators, Peers, Suppliers and Business Partners	✓	✓	7.2
	23	Green building and community	Regulators, Local Communities, Customers, General Public	✓	✓	9.2
	24	Waste treatment and recycling	Regulators, Local Communities, Customers, General Public	✓	✓	9.4
	25	Reasonable marketing and promotion	Customers, General Public	✓	✓	8.3
	26	Charity and social service	Local Communities, General Public, General Public	✓	✓	11.2
	27	Green technology innovation	Regulators, Local Communities, Customers, General Public	✓	✓	5
	28	Use of environmental protection materials	Regulators, Local Communities, Customers, General Public	✓	✓	9.3
	29	Tackling climate change	Regulators, Local Communities, Customers, General Public	✓	✓	9.8
	30	Green lease	Customers, Investors, Local Communities	✓	✓	9.5
	31	Biodiversity	Regulators, Local Communities, Customers, General Public	✓	✓	9.9

# 8

## Quality First Credible Country Garden

### Overview

With the in-depth adjustment of the real estate industry, the general principle of “houses are for living not for speculation” has become clearer, and the development logic of the industry has shifted from “scale” to “quality”. Country Garden firmly sticks to the road of high-quality development, puts product quality and safety in the first place, and improves the degree of product standardization through scientific and technological innovation. Upholding the values of customer-focus, we are committed to protecting the basic rights and interests of customers, win the markets with quality and efficiency, and craft good products recognized by customers.

### Topics Discussed in this Chapter

Sustainable development topics discussed in this chapter:

Supply chain environment and social risk management

Product quality and safety

Customer service and satisfaction

Customer privacy and information security

Reasonable marketing and promotion

### SDGs Discussed in This Chapter





## FEATURE | "SOLID FOUNDATION INITIATIVE" FOR BETTER QUALITY-HIGHER QUALITY AND EFFICIENCY OF SAFETY CONTROL

All along, Country Garden has always advanced the upgrade of product quality, implementing strict control over engineering quality and safety production. In 2022, Country Garden entered the Solid Foundation Initiative Phase 2.0, and focusing on "two wings and one heart", we launched a three-month engineer culture season activities throughout the Group to cultivate an engineer culture with ingenuity as the core. While creating "hard technology" centering on intelligent construction, we also strengthened our digital operation-oriented "soft power".



Solemnly Pledge to Practice Ingenuity with Action

### Two Wings: Focusing on Intelligent Construction and Moving Towards Digital Management

Technological innovation empowers enterprises to transform toward refined management. Solid Foundation Initiative 2.0 takes "hard technology" and "soft power" as its two wings, pays attention to the improvement of its own intelligent construction standards, and constantly upgrades our digital management platform to promote the enhancement of product quality.

- **Hard Technology: Smart Construction**

Country Garden proactively introduces high-tech means to build and promote "smart construction sites". By exploring the R&D and application of construction robots, we entrusted some heavy outdoor operations and repetitive work to robots, so as to improve construction efficiency and standardization, thus protecting the occupational health and safety of employees.

- **Soft Power: Intelligent Platform**

We accelerate the upgrade of digital management. By taking the Weiwo Operation Management Platform as the entry point, we realized online management of processes. We also optimized our weak and inefficient sectors, and cultivated engineers' overall awareness in a targeted way, so as to improve management efficiency.



The site of the Ningxia Regional Ingenuity Skills Competition

### One Heart: Take the Spirit of Ingenuity as the Core and Improve Professional Standards

Solid Foundation Initiative 2.0 focuses on the spirit of ingenuity, and is guided by the spirit of engineers — pursuing excellent quality and perfecting professional standards. During the Engineer Culture Season, a skills exchange platform in the form of knowledge competitions was developed in each region, with an aim to summarize best practices and improve professional standards. In the meantime, a number of awards such as "Ingenuity Award" and "Group Benchmarking Engineering Award" were granted during Engineer Culture Festival, with a total of 368 engineers won the honor of "Ingenuity Engineer", and the leveling robot were also awarded as the Company's future "rising star employee".



Exterior Wall Spraying Robot During Operation



Measuring Robot Construction Work Scenario

#### Key Performance

- As of the end of 2022, the number of registered users of Weiwo Operation Management Platform APP was 57173, the total executions number of management behaviors exceeded 18.098 million, and the area under construction supported by its service exceeded 292 million square meters.

## CRAFTSMANSHIP

Country Garden always incorporates craftsmanship into production, puts safety and quality in the first place, and unwaveringly pursues high-quality development. We firmly adhere to long-termism, and vigorously improve product quality and safety management system, by organizing internal and external product

### Product Quality Management System

#### Quality Management System Certification

Country Garden adheres to the management philosophy of "putting customer first, putting quality at the center, and seeking long-term development". We are committed to constantly enhancing product strength and introducing the most advanced product quality management system and obtaining ISO 9001 certification. We continued to step up efforts in the area of quality management system certifications and made continuous efforts to ensure that all of our products are certified by HACCP and ISO 9001.

#### Product Quality Management Systems

Taking in to account its actual business status, Country Garden continues to refine the Group's product quality management system and strengthen the quality management of the Group's regions and projects. During the year, we have revised the Country Garden Group Operation Management System and Country Garden Group Operation Center Incentive System to refine the work assessment standards and fully mobilize the enthusiasm of employees to improve product quality. The Company also revised

testing, to control the quality of delivered products at each level. Subject to laws and regulations as well as quality and safety guarantee, the Company scientifically plans the progress of the project, continuously lift its delivery quality and efficiency, and creates healthy and safe products with ingenuity.



Quality Management System Certification-ISO 9001

the Country Garden Group Supervision and Management System to clarify the management responsibilities of the supervision units in terms of safety and quality. In addition, we have comprehensively amended the guidelines for project management and technical management. We also identified the key points of project management at all stages of the whole cycle, from the start of construction to delivery, in a bid to improve product quality and delivery quality.

#### Third-Party Project Patrol and Inspection:

We have revised the Country Garden Group Management Measures for Project Patrol and Inspection, and adjusted the frequency of project inspections and the inspection methods regarding those projects approaching delivery, and optimized the incentive measures for areas with excellent performance. A third-party professional organization has been hired to carry out engineering inspections on residential projects under construction on a quarterly rotation basis, so as to ensure the fairness of third-party inspections and implement requirements on process control.

#### Delivery Evaluation:

In accordance with the Country Garden Group Management Measures for Delivery Evaluation, we invited a third-party professional engineering consultancy to conduct risk evaluation of projects before delivery, and continuously updated relevant evaluation standards according to the Group's delivery quality status. We specify the bottom line for delivery, urge the projects to strictly control the product delivery quality and improve the delivery quality of the whole Group.

**Joint Inspection of Project Regions:**

We have revised Country Garden Group Management Measures for Joint Inspection of Project Regions, and adjusted the personnel composition, cycle and selection principle of joint inspection of project regions. In the process of work, we adopt the "Group + Region" Joint Inspection mode to carry out assessment work, and select several tenders that have been inspected by the third party in accordance with certain principles. We verify the quality of third-party inspection work, inspect the rectification results, and assess the risks of key nodes, such as the opening and delivering of a building.

**Joint Material Sampling Inspection:**

According to the Country Garden Group Management Measures for Joint Material Sampling Inspection, we continuously carry out the special work of "Material Sampling Inspection". By doing so, we realize the whole-chain material management, strictly control the warehousing of frontend material suppliers, implement monthly material routine sampling inspection and Group material unannounced inspection in the process, comprehensively strengthen management, improve the material qualified rate, ensure process compliance, and contribute to continuous improvement of product quality.

**Unannounced Inspection of Pile Foundation:**

We have issued the Country Garden Group Regional Management Measures for 100% Inspection of Project Pile Foundation, and revised the Country Garden Group Management Measures for an Unannounced Inspection of Pile Foundation in the meantime. While practicing the "Solid Foundation Initiative" strategy, we have carried out dedicated closed-loop rectification of safety and quality hazards found in unannounced inspection.

**Construction Technical Specifications:**

We have compiled and published the Country Garden Group Engineering Technical Guidelines to standardize the construction actions for the main body of the building, fine decoration engineering, garden landscapes and other construction objects, and formulated internal systems such as Country Garden Group Gypsum Mortar Plastering Construction Technical Guidelines, Country Garden Group Wall Tile Paving Construction Technical Guidelines and Country Garden Group Compulsory Construction Technical Guidelines. We have optimized the process and technical standards for the construction links, continuously improved the engineering quality of the projects under construction, and enhanced product strength.

**Inspection and Maintenance Work:**

According to the Country Garden Group Guide for Inspection and Maintenance Work, before the project is delivered, the Project Department and the Project Maintenance Center will jointly carry out three rounds of inspection respectively in the three months before the project delivery in order to strictly control product quality from the perspective of property owners. They check the planning, design and construction scheme approved by the competent government department, relevant regulations and standards for construction engineering quality acceptance, relevant drawings and materials handed over by the construction unit, commercial housing sales contracts, delivery standards, and the Country Garden Group Delivery Perception Standard Manual, etc., so as to achieve the goal of perfect delivery of the Group's projects and improve product quality and delivery quality. After the delivery of the project, each project will set up a maintenance centre to perform quality warranty obligations to customers in accordance with the contract, so as to ensure that the products will remain high-quality and high-quality after delivery.

**Establishment of Expert Database:**

According to the Country Garden Group Management Measures for Engineering Expert Committee, we have conducted interviews, assessments, and investigation of professional engineering and technical talents across the whole Group, selected 62 experts covering 7 majors, and issued the Notice on Publishing the Expert List of Country Garden Group Engineering Expert Committee. We set up a Group database of experts who provide technical consultation, program evaluation, on-site assistance, lectures, and other services for the Group, regions, and projects, and thus improve the product quality of the Group.

## Product Quality Training

In 2022, we intensified training on product quality and carried out various training activities including online training, offline raining and regular training to increase the employees' awareness of product quality.

Table: Fruitful Results of Product Quality Training in 2022

### Online Training

- **Employment Plan:** Cultivate and empower multi-discipline engineers, and carried out 15 live lectures, with a cumulative number of 37,455 online learners.
- **Future Engineering Director Training Course:** Aiming to qualitatively cultivate talents in key positions, we have organized one online centralized course, a total of 46 students completed their studies and successfully completed the course, becoming the backbone of regional large-scale operation management.

### Offline Training

- **Engineer Culture Festival:** Engineers in each region learning from excellent staff, striving for excellence and creating excellence, continuously improving their professional capabilities. A total of 12 professional videos were selected from each region with 368 employees were recognized as ingenious engineers.

## Product Quality and Safety Standards

quality management. We also clarified the product quality and safety baselines and key point control behaviors during production, acceptance and after-sales process, so as to ensures excellent product quality and safety performance. In addition, we have compiled the Country Garden Group Safety and Civilization Measures Standardization Manual, formulated implementation rules for safety management behavior, civilized construction, foundation pit engineering, etc., and regulated the construction behaviors of Country Garden Group's projects, thus ensuring product quality and safety from the construction process.

We require all regions and projects to strictly abide by internal quality standards, and continuously lift the standardization of construction and acceptance. By clarifying the management standards of "5+5+3" issues, we establish rules and regulations regarding issues such as structure, customer sensitivity and customer concerns, and formulate management rules and technical standards to ensure that all products and projects pass

quality acceptance, aiming to comprehensively enhance product strength and ensure product safety and quality.

In 2022, Country Garden won several national, provincial and municipal awards in terms of product quality, including 7 Guangsha Award projects, 1 China Construction Engineering Decoration Award project, 142 provincial quality awards and 97 municipal quality awards.



"Guangsha Award" Certificate

## Product Safety Management

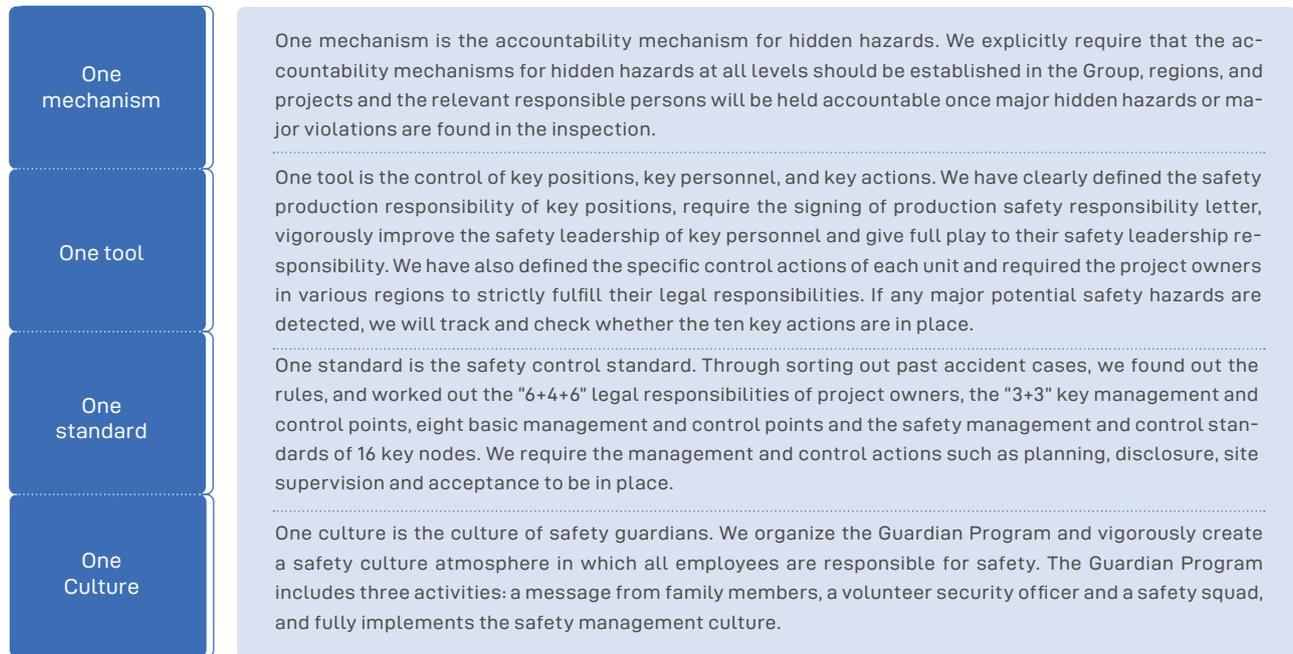
### Safety Management Systems

Country Garden takes "early prevention, strict control, and strong system" as the core of safety production and upholds the "safety first and people-oriented" philosophy. The Group has successively optimized safety management systems, and implements it in actual works. We have also established mechanisms of accountability for hidden hazards and accident interviews, and continuously enhanced safety management levels.

Country Garden has kept refining its safety management system. We strictly comply with national laws and regulations such as the Construction Law of the People's Republic of China, Production Safety Law of the People's Republic of China, Regulations on Construction Work Safety Management and Regulations on Quality Management of Construction Projects. The Group has also issued the Punishment Measures for Major Safety Hidden hazards in Projects to identify potential safety hazards in advance, implement rectification work on major hidden hazards to ensure the safe and stable development of projects. Moreover, the Country Garden Operation Management System was also amended to clarify the Group's unified management of health and safety. We formulated and issued relevant assessment indicators and management standards, refined the division of responsibility for safety accidents, so as to implement safety production responsibilities from top to bottom.

### "Four Ones" Principle for Safety Management

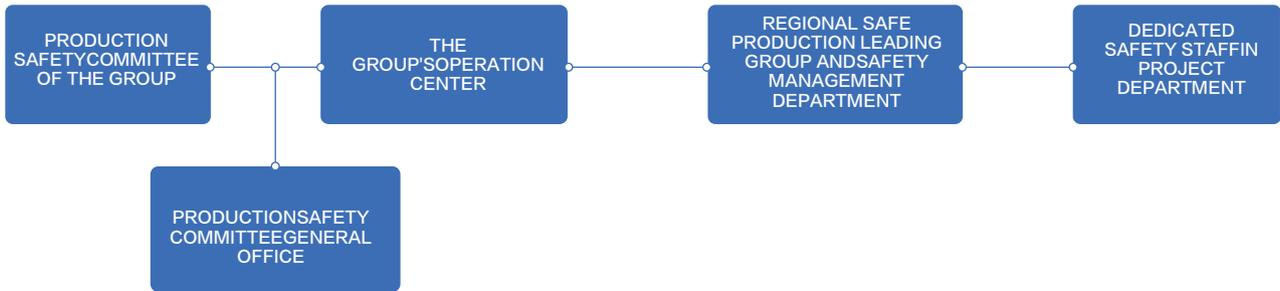
Country Garden sticks to "Four Ones" principle, which comprehensively improved the Group's safety management performance from four dimensions: mechanism establishment, tool implementation, standard improvement, and cultural construction.



### Country Garden Safety Management Structure

Country Garden takes production safety as the most critical link in construction. We have established the Production Safety Committee, Mo Bin, the President of the Group, also serves as the Director of the Production Safety Committee. Its members are composed of the heads of all functional centers of the Group, representatives of regional presidents, the general manager of property management company and specially appointed renowned scholars. The Safety Committee is responsible for giving instructions and making decisions from all aspects of safety management, setting up health and safety policies suitable for the Group as a whole, regularly reviewing and evaluating the Group's safety performance in terms of health and safety policies and safety work implementation, and using this as a reference for deploying future safety work and updating relevant policies and systems. The Production Safety Committee holds quarterly meetings. In 2022, the Committee convened 4 meetings.

We have successively followed up on the implementation of health and safety strategies and performance, and specify the management and execution responsibilities of relevant personnel. Mo Bin, President of the Group and Senior Executive Officer, manages the health and safety strategy and performance, and as a member of the Environmental, Social and Governance (ESG) Committee, participates in the review, evaluation of health and safety strategy and performance as well as risk management, and oversees its implementation under the organization of the ESG Committee. As the executive body of health and safety strategy and performance, the Group's Operation Center regularly reports to the Group's senior management on the implementation of health and safety strategy and performance.



According to the Country Garden Operation Management Measures, we adopt a top-down intensive health and safety management, which comprehensively covers the regional and project management without leaving any dead ends:

- Set Safety Production Goals:** The President of Country Garden Group signed a long-term effective safety production responsibility undertaking with regional presidents, clearly requiring each region to comprehensively improve its level of safety production management, and take "zero casualties" in safety production as their long-term goal.
- Establish an Information Reporting Mechanism:** According to the Information Reporting System, we strictly implement hierarchical risk control, and each unit reports to the Group and regional companies by level, and those who conceal or fail to report may subject to punishment. Regional companies are required to report occupational health and safety management to the Operation Center monthly.
- Carry Out Regular Assessment and Inspection:** Through unannounced safety inspection and third-party inspection to test the performance of control actions of each unit.

### Safety Management Measures

In order to promote the better implementation of safety management requirements in various regions and projects of the Group, Country Garden has formulated a series of safety management digital passwords according to the key links of construction and the places prone to safety accidents.

<div style="border: 1px solid #0056b3; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p><b>"6+4+6"</b></p> <p>legal responsibilities of the construction parties</p> </div> </div>	<p>The responsibilities include 6 items of project management, including application for approval, construction period guarantee, project data, cost guarantee, bidding and contracting and project supervision; 4 items of quality management, including material guarantee, design guarantee, joint review on drawings and process supervision; 6 items of safety management, including system construction, personnel structure, contract management, safety and civilized construction measures, real-name system management and process supervision;</p>	<div style="border: 1px solid #0056b3; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p><b>"3+3"</b></p> <p>safety control priorities:</p> </div> </div>	<p>The priorities include requirements for safety organization structure, real-name system management, physical examination of workers and safety control over critical construction tools including elevator shafts and scaffolding.</p>
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### Safety Training for All Staff

Country Garden has kept enhancing the safety awareness of employees, and actively carries out quality and safety training for all employees and construction personnel of relevant parties, aiming to constantly strengthen our capabilities of safety management. In accordance with the special actions formulated at the beginning of the year, the Group and the region regularly organizes routine safety training for all employees, including quarterly Group training by the Production Safety Committee, safety lectures by regional presidents every six months, safety summary and skill training for management personnel of project and related parties, as well as weekly safety training for operating production lines

In addition, we carry out targeted safety training for employees at different levels, striving to cover all employees, and comprehensively publicize the awareness of safe production.

For all the employees of the Group	The Group holds a meeting of the Production Safety Committee every quarter, which delivers a summary of this quarter's safety management of the Group, gives instructions on the priority work of the coming quarter, and timely brief the employees on the national laws and regulations on safety and norms of the industry.
For operation department employees of the Group	We hold weekly quality and safety meetings, including the interpretation of national policies and quality management requirements of the Group and the sharing of the best safety and quality management experience and process practices.
For regional employees	Regional presidents give lectures on safety to regional management staff every six months. Regional major operation team leaders and engineering project leaders carry out online intensive training at different levels to share quality and safety management knowledge, the latest regulations of the Group, etc.

### Key Performance

- In 2022, a total of 25,200 employees participated in the safety notification examination, 21,100 employees took part in the "Consolidate Safety Foundation to Achieve Lasting Success" learning, and 1,645 employees participated in the safety control thematic conference.

## Product Safety Inspection

Country Garden controls product quality through inspections at different levels, optimizing the supervision and guidance of product quality inspection system in an ongoing manner. On the basis of strengthening the daily project safety inspection, we conduct multi-dimensional and normalized safety inspections to ensure

that potential safety hazards will be nipped in the bud. We enhance the product safety inspection capability and improve the safety construction management level by carrying out on-site construction inspection, the third-party inspection, and routine investigation on hidden hazards, etc.

## On-Site Construction Inspection

We pay attention to safety management and safe operation in construction site, and carry out a variety of on-site inspection work to ensure the safety and product quality of the construction site.

<b>Unannounced Safety Inspection</b>	<p>The Group has set up an unannounced safety inspection team, which conducts surprise safety inspections on the projects with outstanding risks reported by third-party inspectors, with general managers being replaced, crash projects carried out by third-parties, projects that are shutdown or delayed, projects with risks in delivery, with prominent hidden hazards, and other regions and projects that need special attention. Such unannounced safety inspection features direct appearance on the site without informing relevant parties or listening to any reports.</p>
<b>Joint Safety Inspection</b>	<p>The construction units in each region implement the joint safety inspection system, focusing on the inspection of potential safety hazards on the construction sites and preventing safety accidents. The members of the joint inspection teams are composed of the staff of regions and the general contractor. Such inspection is conducted in a rotating manner to check all items in the covered regions and effectively make up for what is missed in the third-party inspection process.</p>
<b>Joint Safety Guarantee</b>	<p>The regions assign project security managers to join in groups to promote cooperation and mutual inspection among the project security managers. Such arrangement aims to jointly find hidden hazards, timely rectify the faulty items, and achieve the purpose of preventing safety accidents</p>
<b>Monthly Patrol Inspection</b>	<p>The regions conduct monthly patrol inspections, covering all projects under construction in the regions. The inspection covers three aspects including the legal compliance of the project owners, the management behavior of all participating parties, and the safety status of the on-site entities. According to the patrol inspection results, a summary and comment meeting is held to put forward corrective measures and form an inspection report.</p>

## Third-Party Patrol Inspection

Country Garden work with third-party professional organizations to conduct quarterly full-coverage project inspections, including mechanical equipment, power supply, base pits, high-altitude operation, scaffolding construction scenes, as well as the management behaviors of report Party A, the general contractors and the supervisors. Third-party professional organizations directly issue a notice report of "switch-off" (an analytical evaluation report) for the major hidden hazards identified, conduct closed-loop management of hidden hazard parts, and further report to the Group after rectification to ensure that the rectification of problems is fully implemented.

### Investigation of Potential Quality and Safety Hazards

In 2022, Country Garden revised a number of safety management guidelines, including the Country Garden Group Safety Management Guidelines and Punishment Measures for Major Safety Hidden hazards in Projects, etc. Through the implementation of the punishment mechanism for major hidden hazards of projects, troubleshooting hidden hazards, and the clarification of relevant personnel's responsibility for safe production, we focused on the closed-loop work of eliminating and rectifying potential safety hazards, aiming to prevent safety accidents. We also en-

gage a third party to carry out quarterly group-level inspections to rectify major hidden hazards found during the inspection and implement relevant punishment. In addition, regarding the prone accidents of the construction site, the Group regularly conducts detailed inspections on large-scale equipment management, slope retaining wall foundation pit support, fire protection, dust control, etc., and ensure the rectification of hidden hazards were fully implemented. During the year, Country Garden carried out a number of inspections and supervision proactively:

Weekly Patrol by Project Managers	We comply with the internal system of the Country Garden Group Management Measures for Project Patrol and Inspection, and demand the use of the digital "Weiwo Operation Management Platform" in all the projects under construction of the whole Group to conduct weekly patrol investigation. During the inspection, The project managers personally lead a team to inspect the safety and quality engineering defects on the project sites, and initiate the rectification form online, which will be closed by the responsible units.
Inspection by Construction Units	We insist that all general contractors of projects under construction of the whole Group conduct monthly inspections on the construction sites and require project department carry out weekly self-inspection. Through this arrangement, we intend to incentivize the suppliers to take the initiative to prevent the occurrence of quality defects and potential safety hazards from the source;
Joint Inspection of Engineering Areas	We adopt the "Group + Region" Joint Inspection mode to carry out assessment work, select several tenders in accordance with certain principles to inspect the quality of third-party inspection work, verify the rectification results required by third-party inspection, and assess the risks of key nodes, such as the opening and delivering of a building.
Unannounced Inspection of Pile Foundation	We set up a pile foundation optimization and supervision team, and launched the special action of pile foundation unannounced inspection and optimization in the whole group according to the Country Garden Group Management Measures for an Unannounced Inspection of Pile Foundation. In 2022, we have completed a total of 5 project pile foundation plan optimization, with 57 projects inspected by unannounced inspection, and 100% of the pile foundation inspection in production areas across the country was implemented;
Regular Supervision	We encourage self "switch-off" management on projects with hidden hazards, proactively identify hidden hazard risk points and implement closed-loop management measures, realize the rectification of hidden hazards and draw inferences accordingly. For the construction of major and dangerous projects, supervisors and construction units must carry out site supervision and acceptance to ensure that the safety measures are in place;
Fire Control	Fire-fighting equipment must be reasonably placed. Inflammable and explosive materials must be properly managed. Procedures for fire permits must be implemented.

### Key Performance

- Carried out total 505 inspections of regional third-party large-scale equipment (pendant towers, construction lifts, hanging baskets);
- Organized 545 regional construction safety joint inspection groups to carry out 9,522 safety joint inspections; 623 regional safety joint assurance groups were set up to carry out 10,601 safety joint guarantee inspections;
- 964 safety warning houses were established;
- The number of safety disclosures by professional subcontractors of the project was 14,684.

## SMART INNOVATION

Facing such problems as extensive production management, different management standards and asymmetric information in the traditional construction industry, Country Garden promotes the high-quality development of the industry with high-tech intelligent construction. Thanks to our rich experience and the empowerment of science and technology industry resources, we actively explore scientific and technological means to improve the engineering management capability and ensure safe production.

This year, in order to further refine our digital system, we revised the Measures for the Digital Management of Country Garden Group Subsidiaries and the Measures for Improving the Management of Digital Information Security Incidents, in a bid to empower innovation with technology, strengthen the quality control of digital products, promote the digitalization process of the business of our subsidiaries, and lay a management foundation for the deep integration between business and technology. In 2022, we successively improved our digital management platform to enhance work efficiency.



### IT Platform Construction and Digital Operation:

We optimized the digital platform, and upgraded platform systems including digital management portal, development and operation integration platform, digital housekeeper, Biyan system, automated test platform, automatic O&M platform, etc.. We implemented the whole process management of project requirements, project establishment, testing, operation and maintenance to lift the integration level of project life cycle work.



### RPA (Robotic Process Automation):

More than 40 robots have been built and operated for the Company's core businesses, such as finance, marketing, manpower, cost, and investment planning. We also achieved integrated and digital management of business scenarios, such as tax deduction and declaration, land resource information collection, and business data statistics, greatly improving work efficiency.



### Weiwo Operation Management Platform:

We take Weiwo Operation Management Platform as the entry point to create a one-stop operation platform for project management, realizing online management of processes. We also optimized our weak and inefficient sectors, and improved the management habits of front-line engineers to enhance management efficiency.



### Application of Smart Construction Site:

We have gradually achieved refined construction through upgrading smart construction sites, continuously enriched platform functions and scenarios, and built 12 business templates including labor management, tower cranes, lifts, environment, smart hydropower, etc.. We integrate and innovate smart construction sites with other management platforms to comprehensively enhancing product capabilities.

## DEVOTED SERVICES

### Responsible Marketing

Country Garden complies with the Advertising Law of the People's Republic of China and related laws and regulations, and strictly controls information output through channels such as radio and television, paper media, portals, and streaming media to ensure the accuracy, legality, and authenticity of external pub-

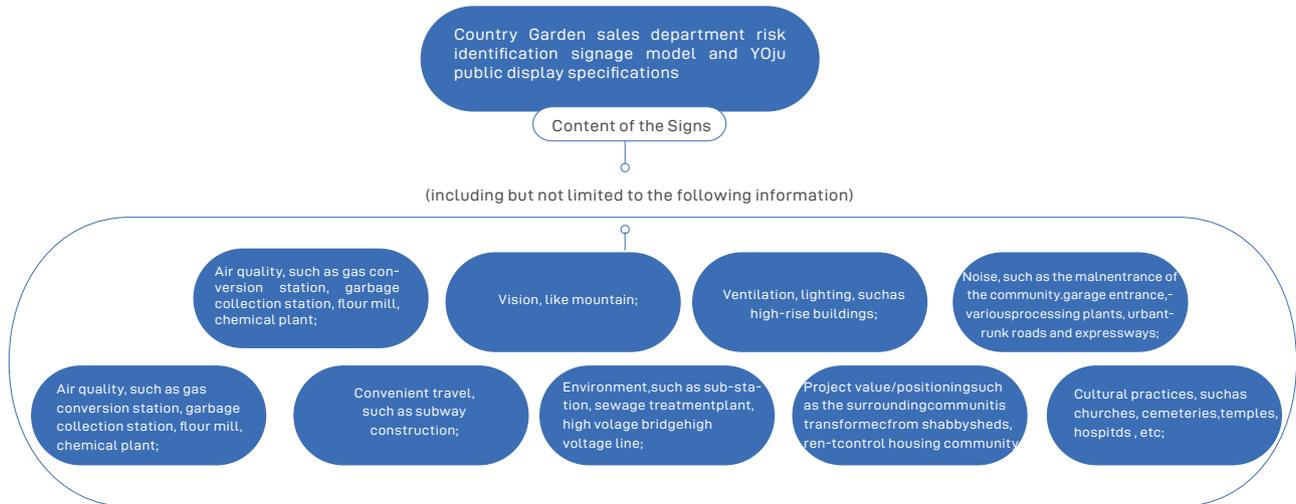
#### Before the Sales Transaction:

We will remind consumers to carefully read the purchase contract, the announcement of the preferential residence, the preferential residence guide, and the warm reminder, and fully consider the risks such as market fluctuations and policy changes to ensure that the purchase of commercial housing is a fully voluntary commercial behavior, in a bid to achieve honest sales and lift customer satisfaction. For any illegal marketing behavior that occurs during the negotiation process of the buyer, we provide multiple reporting hotlines, and will deal with it in a timely, fair and open manner in accordance with internal management policies.

licity information and to avoid adverse social impacts and legal risks to the brand due to inappropriate output. We regulate marketing practices, protect consumers' right to know, and ensure that the marketing process does not contain any fraudulent, misleading or false information.

#### Marketing Process:

In order to enhance compliance marketing publicity and avoid false or exaggerated marketing, we set up signage in the sales department to effectively protect consumers' right to know. We also require the adverse factor signage to make all factors that exist within the red line of the project and within 1 km outside the red line that would affect the owners' residential use or project appraisal to be faithfully displayed on the model, and make the corresponding signage for display.



In addition, we take multiple measures to practice responsible marketing, while conducting responsible marketing training and lectures for all employees, reviewing marketing content, conducting inspections of marketing cases, and standardizing sales behaviors from awareness strengthening to marketing audits.

#### Responsible Marketing Training:

We have conducted training for all employees on responsible marketing to continuously regulate their marketing practices.

#### Review of Marketing Content:

We review the information of the marketing site, and carry out inspections and assessments from time to time to ensure the authenticity and effectiveness of the information.

Country Garden has set up a number of public reporting channels to allow consumers and clients to monitor and give feedback at any time



Supervision hotline of Country Garden Group headquarters:

**400-8919-338**



Country Garden Group Audit and Supervision Center Supervision Department reporting hotline:

**0757-26395969 0757-29916100**



Country Garden Group piloted 3-to-1 owners' exclusive corporate WeChat service group to collect owners' opinions in real-time

## Keep Customer Satisfied

Country Garden is committed to creating products that satisfy customers, strictly complies with regulations or guidelines such as the Operational Guidelines for Pre-Sales Customer Risk Inspection and Operational Guidelines for Customer Complaint Handling to continuously improve service quality, and provide customers with more attentive services.

### Full-Cycle Homeowner Service System

Measures for the Management of Group Compensation and Invalid Costs, Measures for the Management of Customer Complaints of Country Garden Group, Measures for the Management of Full-cycle Customer Satisfaction Assessment of the Domestic Real Estate Sector, Measures for the Management of Country Garden Group's Construction Site Opening, and Country Garden Group's Management System of Phoenix Home Letter.

In 2022, Country Garden continued to invite third parties to carry out satisfaction survey. We adopted the most rigorous survey method in the industry to know the truest needs and suggestions of customers via telephone survey. The survey targeted all kinds of residential owners, including prospective owners, owners in running-in period, owners in stable period and old owners, so as to ensure full-cycle and full- coverage investigation. This year, the Group's overall customer satisfaction showed an upward trend, which fully affirmed Country Garden's customer service quality.

### Key Performance

- **In 2022, Country Garden's overall customer satisfaction in every dimension improved:**

In terms of products, customer satisfaction rate in the property design increased by 2 points; community planning and public area facilities increased by 23 points; landscaping increased by 1 points; housing quality satisfaction increased by 14 points

In terms of service, customer satisfaction rate in delivery service increased by 11 points; maintenance service increased by 11 points; property service increased by 2 points; and complaint handling increased by 5 points

## High-Quality Hotel Customer Management

Country Garden Hotel has always implemented the brand philosophy of "making your life better by providing pleasant accommodation experience", and strives to become the leading service provider of new accommodation in China. We have been actively adapting to market development and changes, constantly innovating and making breakthroughs, creating personalized, interactive, and connected quality customer service, and offering consumers a diversified leisure experience based on accommodation.

With customer experience as the key, Country Garden Hotel constantly optimizing service quality system by combining external evaluation with internal inspection and assessment. At the same time, customer service quality supervision is enabled through both customer opinion management (comments on Brand Wisdom website and online feedbacks) and service quality inspection, complemented by service quality assessment incentives to achieve self-inspection internally, thus ensuring the healthy and sustainable operation of the hotel.

### Key Performance

- In 2022, the overall customer satisfaction rate of Country Garden's hotel business was 95.11, with an average of more than 90 points in the past three years.

## Actively Respond to Customer Demands

Country Garden attentively listens to the opinions and demands of customers. Once we receive the complaints or suggestions, we require customer service staff to arrange for the manager responsible for complaints at the regional level to take the lead in handling complaints and contacting customers within 24 hours (within 2 hours for urgent issues) to negotiate and deal with them. The process and results are regularly communicated to the uni-

fied customer service platform system, and the call center personnel make return visits to ensure that customer demands have been resolved before closing the orders. We strive to build a harmonious and warm service quality management system. In 2022, we set a satisfaction target, aiming to increase the satisfaction rate by 5% compared with 2021.

### Key Performance

- In 2022, Country Garden had a total of 181,368 complaints, with a case-closed rate of 96%. This included 44% of construction and maintenance complaints, 17% of property management complaints, and 9% of sales management complaints.

## Information Security and Privacy Protection

Country Garden puts a premium on customer information security and privacy protection, formulates the Group's information security policy in accordance with the Country Garden Group Information Security Policy, and constantly refine the information security management structure, ensuring that the responsibilities of the information security committee and information security appointee office were implemented from top to bottom. Our information security team controls the output of customer information, is responsible for the management and evaluation of information security incidents, and provides relevant technical support.

We strictly abide by the Law of the People's Republic of China on Cyber Security, General Data Protection Regulation (GDPR) and information security compliance schemes. We also established the Country Garden Group Information Security Management System, Measures for Improving the Management of Digital Information Security Incidents, and other systems to manage the output, dissemination, use, and handling of customer information to minimize the risk of customer privacy leakage. We also optimized the information security incident handling process to lifting our emergency handling capability for security incidents, aiming to comprehensively protect customer privacy. In 2022, we

formulated internal documents such as the Measures for Improving the Safety Management of Internet Release of Digital Application System, to ensure the security of business application systems and further improve the governance level of business and customer confidential information.

In order to reduce the risk of leakage, destruction or loss caused by external threats or improper management of internal personnel, we carry out information security protection work around system updates, risk assessment, information security training, etc.

System Update	We independently developed an integrated O&M security platform and an iterative security operation platform to achieve deep integration of security requirements, security solutions, security testing and evaluation with the whole life cycle of the project, creating an automatic analysis and disposal system regarding information security threats, sharing security information with local regulatory authorities to ensure the information security of the project's whole life cycle.
Risk Evaluation	Despite carrying out routine inspections, we also have arranged data security impact reviews for key businesses, hired third parties to conduct external audits for logical access control, operating system security review, etc., and prioritized information security risk identification and response.
Information Security Training	We have carried out information security awareness publicity for key places, organized information security training and special training for R&D departments, and combined training with assessment, in a bid to fully implement information security protection work.

During the year, we set information security-related targets in accordance with the Country Garden Group Information Security Policy, and no major information security incidents such as personal information leakage were found throughout the year.

### Key Performance

- In 2022, Country Garden Digital Management Center conducted data security risk investigation on 24 business scenarios, organized and participated in 24 business scenario data security risk screening and communication meetings, completed data security impact assessments for 24 systems, and generated reports accordingly.

## WIN-WIN FOR MULTIPLE PARTNERS

Country Garden strengthens communication with stakeholders and is committed to creating a win-win cooperation model. We continue to improve the responsible supply chain, smooth communication channels, and provide a fair, open and transparent platform for suppliers. With solid industry experience and in-

dustrial foundation, we work with all parties to explore the development path and prospects of the industry through industry exchanges, industry-university-research cooperation, etc., and jointly promote the value chain to put in place the sustainable development strategy.

## Responsible Supply Chain

### Supplier Management System

Country Garden works closely with different types of suppliers such as architects, designers, consultants, service providers, contractors, and is committed to establishing a fair, transparent, and sustainable supply chain. We have developed a series of mechanisms such as Supplier Resource Management Process, Supplier Post-Assessment System and Supplier Penalty Mechanism to build up a whole life cycle management process for all types of suppliers from development, access, performance evaluation, and risk management to termination and withdrawal, and to continuously inspect and evaluate the hardware facilities and operational capabilities of suppliers. In 2022, we newly formulated the Measures for Materials Quality Management in Domestic Real Estate Sector and revised the Country Garden Group Man-

agement Measures for Joint Sampling Inspection of Materials. With the special work of "material sampling" as the core and the process systematic control as the supplement, we clarified the frequency and coverage of material inspection, and further improved the sampling process to ensure the material quality of the Group's projects under construction and continuously enhance the product strength.

At the same time, Country Garden has set up an internal control group and a supplier management group to continuously improve the process of supply chain performance and to strictly supervise and control the process of entry, inspection, and management of suppliers.

#### Internal-control Group

- Review and manage the relevant entry qualification materials of suppliers.
- Responsible for the development of supplier management norms and systems and their timely dissemination and implementation so that quality controls are evidence-based.
- Using information technology to ensure the implementation of the system and continually improve and adapt the system to situations on the ground.
- Responsible for collecting complaints in the mailbox, taking a careful approach to the reported cases, and conducting comprehensive verification of relevant personnel.

#### Supplier Management Group

- Coordinate and arrange the quality sampling of materials, including shortlisted factory inspection, process control and performance assessment.
- for carrying out sampling inspection on the problematic items found in the daily inspection of the Bidding and Purchasing Center and the Group's third-party inspection, and conducting sampling inspection on suppliers with a history of providing unqualified materials.

### Key Performance

- In 2022, Country Garden cooperated with a total of 33,207 suppliers in the material and engineering categories

### Supplier Access

In conducting supplier entry assessment, the Group follows internal systems such as the Supplier Management Measures and Measures for Materials Quality Management in Real Estate Sector, clarifying the screening requirements and work flow for supplier warehousing and new material shortlisting, improving product sampling standards, and enhancing the management

level of supplier warehousing. In addition, appropriate additional points will be given to suppliers who have passed ISO 14001 energy management system, ISO 9001 quality management system, and OHSAS 18001 occupational health and safety management system certifications. We will not hire suppliers with bad track records.

When examining suppliers, we attach great importance to the establishment of a green supply chain. Country Garden continued to take into account the environmental and social risk factors of suppliers, giving priority to suppliers whose environmental and social performance meets the requirements:

- Applying an environmental procurement monitoring system to keep statistics on the environmentally friendly procurement of office supplies, building equipment, and building materials;
- Analyzing whether procurement items meet specific environmental standards, such as whether products have environmental certifications or approvals granted by authoritative independent third parties.

## Supplier Compliance

### Supplier Audit

- In order to effectively identify supply chain risks, Country Garden conducts regular supplier performance audits and assessments. In 2022, Country Garden adopted targeted audits for different suppliers to ensure that suppliers could provide compliant products and services. We carried out joint sampling of materials, sampling a total of 742 batches of 5 major types of materials in 32 regions, and found 18 batches of defective materials. For non-conforming suppliers, we take penalty measures such as warnings, fines and suspension according to the degree of non-compliance, and take rejection measures for non-cooperative suppliers.

### Supplier Training

- Country Garden actively drives suppliers to perform their responsibilities together, conducts supplier training and exchange conferences at least once a year for all suppliers, continuously improves the quality of suppliers' products, and jointly provides customers with safe and reliable high-quality products.
- In 2022, Country Garden carried out sustainability and quality improvement training for all suppliers. In the meantime, each region organized training on product quality, safety management and supplier exchange conferences as needed to guide suppliers to better fulfill their social responsibilities.



## Case

### Responding to Request and Aligning with Suppliers

In 2022, the Group has had numerous supplier engagement meetings, with the aims to analyze favorable policies, communicating requirements on supplies and payment policy, responding timely to suppliers' requests, fulfilling promises, and building confidence.



Country Garden Group Procurement Center and Tiles Supplier Summit

### Combating Counterfeit and Substandard Products

Country Garden attaches great importance to combating counterfeit raw materials and products, and the Group has formulated the Counterfeit and Shoddy Products Onsite Verification Manual, which serves as the basis for onsite inspection of Party A-designated and Party A-supplied materials. Country Garden's material procurement mechanism requires that materials be purchased from designated suppliers and designated channels; in addition, the supplier inspection system also requires suppliers to verify whether there are problems with their own materials.

We require the personnel responsible for procurement in each region across the country to inspect newly-added materials

when conducting patrol investigation. According to the contract, the construction party must sign a tripartite contract with the material supplier designated by Party A, and is explicitly required not to change suppliers after establishing a cooperative relationship. If the construction party purchases materials from a supplier outside the scope designated by Country Garden, it will constitute a breach of contract and Party A will require rectification and return of the materials and impose a penalty of 30%-100% of the purchase amount of that batch of materials for breach of contract.

### Transparent Procurement

Country Garden has adopted a series of measures to prevent supplier corruption from within the Group and beyond:

Preventing From Inside	We require every new procurement center employee to sign the Country Garden Integrity Agreement to regulate the business connections between employees and the enterprises set up by their close relatives
Preventing from the supplier side	Each supplier is required to sign the Country Garden Supplier Integrity Requirements, which clarifies that the supplier should be honest and self-disciplined. Bribery is strictly prohibited, and the Company requires the supplier to stop relevant behavior and promptly report to relevant person in charge.
Preventing from Business process	We sign the Integrity Cooperation Agreement with the partner, specifying the code of conduct for clean cooperation, and strictly regulating the behaviors of both parties. We pay attention to supplier qualifications at the entry stage, and do not hire those with poor records; strictly control costs and break down prices when pricing, so as not to give suppliers the opportunity to be corrupt; and conduct regular supplier evaluations to standardize suppliers' performance behavior.

### Spearheading Development of the Industry

Country Garden is committed to leveraging its strengths to promote the development of the industry and to seize new cooperation opportunities through active external cooperation and exchanges. In 2022, we built strategic partnerships with multiple enterprises to jointly transform and upgrade industry products and services, working hand in hand to achieve mutual benefits.



## Case

## Innovation and Intelligence Lead to a Brighter Future

On January 6, 2022, the final and award ceremony of the 2nd "Tsinghua University Guoqiang Institute Cup" Global Artificial Intelligence and Robot Innovation Competition, hosted by the Tsinghua University Guoqiang Institute and supported by Guangdong Bright Dream Robotics Co., Ltd., and the Guoqiang Foundation, was held in the headquarters office of Bright Dream Robotics.

The competition aims to discover and cultivate a number of artificial intelligence and robotics innovation achievements around the world, and has a special dual-track competition system to provide a platform for participating teams to fully display their innovative technologies, attracting 450 artificial intelligence and robotics teams at home and abroad. The competition continues to provide follow-up application research and development, investment incubation, talent training, innovation base, industrial connection and other value-added services for excellent projects, constantly improves the cooperation mechanism between industry, education and research, and collaborates to create a new highland of scientific research.



Group photo of the award ceremony

# 9

## Country Garden the Guardian Green Development

### Overview

In 2020, President Xi Jinping announced that China would strive to achieve peak carbon dioxide emissions by 2030 and carbon neutrality by 2060, which accelerates the practice of the sustainable development strategy and the decarbonization transformation of social development. As one of the main sources of carbon emissions, the construction industry is in urgent need of promoting green transformation on all fronts. Country Garden, as a leading player in real estate, takes the lead to set a model. By improving energy efficiency in production and operation, it controls both energy consumption and carbon emissions, reduces environmental impacts, and pushes forward high-quality sustainable development of itself and the industry.

### Topics Discussed in this Chapter

Sustainable development topics discussed in this chapter:

Green buildings and green community

Green technology innovation

Energy conservation, emission reduction, and green operation

Waste treatment and recycling

Use of water resources and sewage treatment

Biodiversity

Tackling climate change

Use of environmentally friendly materials

### SDGs discussed in this chapter





## Feature: A green urban future: A naturally-friendly city with resilience and carbon neutrality

Harmonious coexistence between humans and city and between city and nature is the design concept long upheld by Country Garden. In 2014, Country Garden initiated the Forest City Project in cooperation with Kumpulan Prasarana Rakyat Johor Sdn. Bhd. (KPRJ) with the support of the Malaysian Government, committed to setting an example for a green, smart city for the future. By introducing top environmental, technological and industrial designs, we promote organic coexistence between cities and forests; and through intensive land use and sustainable ecological development, we make revolutionary breakthroughs in curing "modern metropolitan diseases" and integrating industries with cities.



### Green design

**Multi-layer 3D greening system:** A multi-layer 3D greening system from ground to top has been built. It covers a plane greening area of 2.86 million square meters and extends vertical greening by about 256,000 meters, sequestering carbon with plants, alleviating heat island effects and reducing the energy consumption of the temperature control system.

**Sponge city:** A water recycling system has been built. It collects and treats all sewage in an intensive manner, and uses recycled water for building roof greening, vertical greening and outdoor greening watering through the independent reclaimed water recycling system. For the time being, most of the greening water in Forest City comes from reclaimed water. In the future, desalination technology will be used for effective utilization of water resources.

### Green mobility

Smart and convenient mobility is enabled through smart applications. We provide coherent, green and supporting infrastructure for the slow traffic system and encourage walking and cycling, so as to enhance the resilience of cities and boost green mobility.

### Intelligent operation

Country Garden adopts cutting-edge technologies in all aspects of urban life to realize intelligent urban operation integrating intelligent management, intelligent transportation, intelligent security, intelligent community and intelligent home.

**Intelligent building site (IBS):** A comprehensive and modernized intelligent building site covering the whole industry chain and integrating technology R&D, standardized building design, automatic production of precast components, intelligent logistics and prefabricated construction. Through IBS, the construction period can be shortened by at least 30%, construction waste can be reduced, and a sustainable development environment is created.

We have formulated the *Guidelines for Ecological Development of Forest City ("Guidelines")*, in which we set explicit phased objectives for the development, construction, operation and management of ecological cities. Following this Guidelines, the infrastructure construction of Forest City will be based on green ecological development, its economic development will be empowered by high-tech industries, and it will be built into a green city with vitality that integrates industry, city and diverse cultures.

The *Guidelines* is now at the second stage of work that targets green urban development guided by green and intelligence and driven by industries. In terms of urban operation and construction, Country Garden continues to give impetus to the construction of supporting facilities, and has built the 4km harbor resort containing an ecomuseum, a seashell sales center and a coconut leisure area. The seashell sales center was awarded the "Green Building LEED-CS Gold Certificate" by the United States Green Building Council (USGBC).

In 2022, under its concept of green and intelligent construction and development, the Forest City Project of Country Garden won the "Global Model of Green and Intelligent Construction" at the 17th Global Forum on Human Settlements and the Sustainable Cities and Human Settlements Awards 2022 (SCAHS).



## Environment Management

Country Garden integrates the concept of green development into its daily management. We take the initiative to assume environmental responsibilities, adhere to the guiding principle of green and low-carbon development, keep improving the environmental management system, and bend ourselves to reducing the impact of production and operation on the environment.

We strictly conform to the *Law of the People's Republic of China on Environmental Protection* and the *Environmental*

*Impact Assessment Law of the People's Republic of China*, and has developed internal management policies including the *Management Measures for Environmental Protection* for scientific management of resources, energies, pollutants, natural ecology and other environmental issues involved in construction and operation. In addition, we have passed ISO 14001 Environmental Management System Certification, and put standardized environmental management into practice in our business.

## Sustainable Buildings

### Standardized Systems for Sustainable Buildings

In the process of developing green building projects, Country Garden strictly abides by a series of industrial standards published by the Chinese government. In the meantime, we actively explore the formulation and improvement of internal standards and guidelines for sustainable buildings, fully integrate the low-carbon concept and sustainable development ideas into the whole life cycle of buildings, and contribute to reducing energy consumption and carbon emissions in the whole life cycle of buildings. In 2022, we compiled over ten new guidelines on ultra-low energy buildings, prefabricated buildings, BIM technology and intelligent construction technology, including the *Detail Drawings for Key*

*Points of Ultra-low Energy Residential Buildings (V1 for Hebei Region)*, the *Special Basic Formwork for the Construction and Structural Design of Standard Precast Components (2022 V1.0)* and the *Guidelines on Technological Construction and Design*, further enriching Country Garden's databases of standards and guidelines on sustainable buildings.

While developing our own databases of standards and guidelines on sustainable buildings, we actively participate in the formulation of national and regional standards for green buildings to boost the industry's green development.

### Table Standards of which Country Garden Participated in Development in 2022

#### Ultra-low energy buildings

- Technical Specifications for Ultra-low Energy Buildings - Part I: Assessment of Hubei Province
- Technical Specifications for Ultra-low Energy Buildings - Part I: Design of Public Buildings of Hubei Province

#### Prefabricated buildings

- Technical Specifications for Interior Prefabricated Decoration of Guangdong Province
- Standards (Guidelines) on Selection of Design Type of Prefabricated Houses of Guangdong Province
- Guide for Dimensions of Main Components for Prefabricated House Decoration of Guangdong Province
- Evaluation Standards for High-Quality Housing of the Ministry of Housing and Urban-Rural Development
- Collection of Prefabricated Concrete High-rise Residential Buildings in Foshan City (Version 2022) Precast Interior Parts of the CECS
- Technical Specifications for Application of the High-strength Extruded Polystyrene Boards for Floor Heating System
- Examples of Prefabricated Concrete Building Design (III)

1. BIM: Building Information Modeling

2. CECS: China Association for Engineering Construction Standardization



Case

## Green Buildings with Ultra-low Energy Consumption

Based on its own situation and the actual needs of the market, the Group prepared the guideline documents on design to ensure quality of design, promote technological innovation, improve production efficiency, save construction materials, improve economic benefit, create high-quality projects and promote sustainable development. It promoted the sustainable development of the domestic green and low-carbon construction undertaking, reduced the negative impact on the environment, realized the energy conservation and emission reduction of the construction, which contributed to the smooth realization of the goals of carbon peaking and carbon neutrality in the construction field. The completed guidance document for construction drawings was combined by the two documents "Guide on the Construction Drawing Design of Ultra-low Energy Residential Buildings (Hebei - 2022 - V1.0) and the Detail Drawings for Key Points of Ultra-low Energy Residential Buildings (Hebei Region)". This guidance document summarizes and refines the experience of several ultra-low energy residential building projects in Hebei Province. Base on the design principles, norms and common practices of ultra-low energy consumption buildings, and combining with the actual situation of projects of the Country Garden Group, it focuses on the content and principle of adjustment arising from the technical measures of ultra-low energy residential buildings. Moreover, it provides a comprehensive illustration of the practice in various parts of the ultra-low energy building, and improves the design level and efficiency of ultra-low energy building projects. This program is applicable to the design and construction of ultra-low energy residential buildings in Hebei, and can be used for reference in other severe cold and cold regions.



Detail Drawings for Key Points of Ultra-low Energy Residential Buildings (Hebei Region)

### Certification for Sustainable Buildings

The development of green buildings is an urgent need for the construction industry to realize sustainable development. In this context, Country Garden actively promotes green buildings, deeply engages in green and low-carbon construction, continues to increase the proportion of the

area of green buildings, and facilitates green and high-quality development of cities and towns. As of the end of 2022, Country Garden has had a total of 1,039 projects that meet the national green building evaluation standard, covering a total area of 0.23 billion square meters.



### Key Performance

In 2022, Country Garden.

- Has 42 new green building projects, covering a total construction area of 9.61 million square meters;
- Has 39 new sponge city projects, covering a total area of 3.0067 million square meters.

Case

Country Garden-Poly Pride-Realm is accredited as national 2-star green buildings

Pride-Realm is located in Zhuhai City, Guangdong Province, with a construction area of 30,811.76 square meters. With the optimized thermal insulation system through the envelope structure and high-efficiency energy-saving facilities, the energy conservation rate of this residential development is up to 54.27%, and over 6% of the building materials used in construction are renewable and recyclable materials as all of them are locally sourced and prefabricated.

This project won the second prize of Excellent Engineering Survey and Design (Green Building Design) in Foshan City, and was granted the Two-Star Certificate of Green Building Label.

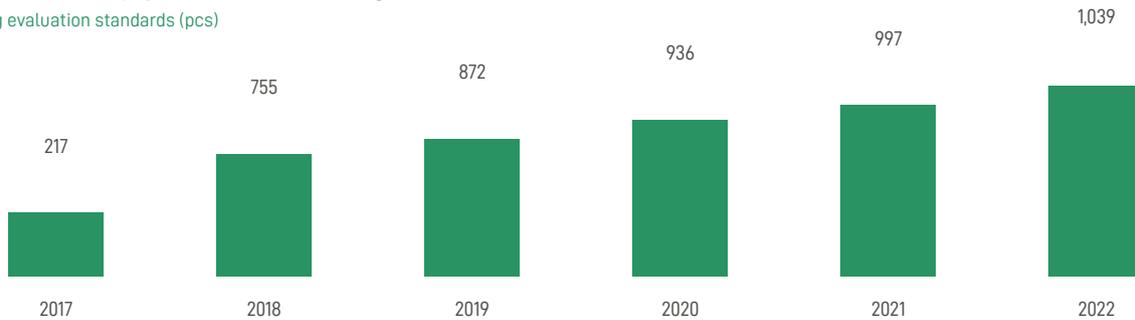


BIM: Building Information Modeling  
 CECS: China Association for Engineering Construction Standardization

Key Performance

- Leading the industry in sustainable floor space
- In 2022, 42 new green building projects will be added, with a cumulative construction area of 230 million square meters of projects that meet the national green building rating standards.

Cumulative number of projects that meet the national green building evaluation standards (pcs)



## Research and Training on Sustainable Buildings

Country Garden attaches great importance to the research and innovation of sustainable buildings. In 2022, we conducted in-depth research on ultra-low energy buildings, green buildings and prefabricated buildings, providing technical support for the development of green buildings. Meanwhile, we actively offer internal training on sustainable buildings in the Group, and proactively participate in external exchanges with peers in the industry, so as to empower our employees and peers with our research results and work together with them to push ahead with low-carbon development of the construction industry.

Upholding the concept of sustainable development of human living environment, we keep meeting customers' needs and creating a livable and comfortable environment to enhance people's level of satisfaction and happiness. Furthermore, we are highly concerned with the needs of the elderly, pay more attention to adapting the living environment for the elderly and the construction of barrier-free elder-friendly facilities in the community in the process of product design, so as to bring a healthier, safer and more suitable living environment for the elderly clientele.

In 2022, we organized employees to attend a number of technical exchanges and forums in relation to green buildings, including the Salon on Healthy Buildings and Application of Innovative Technologies and the Evaluation Standards for High-Quality Housing organized by the Ministry of Housing and Urban-Rural Development. In order to improve employees' skills, we also organize employee training to learn from the latest design standards and internal benchmark projects, such as the Guide on Intelligent Building Design (Structure), Prefabricated Technology and Cases, Ultra-low Energy Residential Building Design in Freezing and Cold Regions. Meanwhile, we take an active part in five research projects in relation to green buildings, including the Review Summary of Ultra-low Energy Buildings in Shanghai and Introduction to and Development Status Quo of Passive Ultra-low Energy Buildings, and have published five papers, including Modeling and Analysis of Integrated Photovoltaic Building based on Revit, Analysis of Application of LEED Residential Standards in Domestic Projects and Effect of Building Shading on Solar Radiation Heat Gain in Ultra-low Energy Buildings.

## Key Performance

- In 2022, Country Garden's Core Alliance Enterprise Boyi Architecture Design Institute obtained 54 new authorized patents, including three invention patents.
- Boyi Architecture Design Institute organized 99 internal training sessions on sustainable buildings, totaling 6,981.3 hours and participated by 4,473 employees.



Carry out special training on low-carbon buildings, scientific and technological intelligent construction, etc



### Planning and Development of Sustainable Buildings

Country Garden has made a future development plan for sustainable buildings to support and guard the Group's works related to green buildings and facilitate the realization of China's carbon peaking and carbon neutrality goals.

**Our commitment**

We will gradually enhance the research on and construction of ultra-low energy buildings, and contribute to the goals of carbon peaking and carbon neutrality.

**Our green building development goals**

We will realize a 65% energy conservation rate of new residential buildings by 2025.  
We will increase the proportion of buildings with solar energy systems.

### Short-term objective

Boyi Architecture Design Institute will continue to promote the standardization of sustainable buildings, and accelerate the standardization of sustainable building workflow, apartment products, materials and parts. Country Garden will also deepen studies on the technical systems of various climatic regions based on its product system and supply chain system, and build a standardized passive technical system suitable for Country Garden.

### Mid- and long-term objective

Country Garden will give priority to the national strategies, contribute to realizing the goals of carbon peaking and carbon neutrality and promoting the sustainable development of society, and provide Country Garden solutions for the development of prefabricated buildings and ultra-low energy buildings. Country Garden will also closely follow the low-carbon and green building technologies as well as their application, and continuously expand the forms of low-carbon buildings.

## Green Construction

Country Garden applies and practices the concept of sustainable development throughout the whole process of project construction. In the construction process, we use a variety of green environmental protection technologies to minimize the environmental impact of construction by saving

energies, protecting water resources, controlling waste and dust, saving materials and using environmentally-friendly materials. In the future, we will continue to take effective management measures to ensure that the environmental impact of dust and other air pollutants is minimized.

### Green construction technologies

#### Intelligent construction

Country Garden actively encourages the application of prefabricated buildings and standardized construction, establishes highly-standardized databases of components, house types and building types, and achieves the whole-industry-chain data flow through R&D, design, production, transportation and construction with the BIM technology. Capitalizing on automated production lines, it produces a large number of customized PC components to reduce the waste of construction materials, improve construction quality and realize green energy consumption reduction in the whole process of construction.

#### Construction robots

Leveraging intelligent construction robots, Country Garden creates green and intelligent construction sites. Through high-quality and stable construction and digital and intelligent construction site management, Country Garden reduces waste in construction sites, precisely controls material utilization, reduces material losses due to manual construction, creates value from waste, and effectively alleviates the environmental impact in the construction process.

Green construction measures	
Water resources protection	<ul style="list-style-type: none"> <li>● We use the drainage system to separate rainwater and sewage, and set up sedimentation tanks and oil traps to prevent water resources from being polluted.</li> <li>● We use wastewater from construction after purifying and recycling it to reduce the consumption of water resources.</li> <li>● With the extensive use of aluminum formwork and plastic formwork, we promote the reduction of the use of wet construction to consume less water resources.</li> </ul>
Energy conservation	<ul style="list-style-type: none"> <li>● Solar street lamps are used for lighting in the construction of some projects.</li> <li>● Dysprosium centralized and time limit lighting devices are used in the construction of some projects.</li> </ul>
Building materials conservation	<ul style="list-style-type: none"> <li>● All projects are encouraged to adopt aluminum formwork and climbing frame system. Aluminum formwork is required to be used in buildings with 25 floors and above as long as conditions permit, so as to reduce the use and loss of timber and wooden formwork</li> <li>● Prefabricated components, including shear walls, laminated slabs, and stair treads are widely used in the construction industry</li> <li>● In the construction process, plastic formwork with higher turnover times is popularized to reduce the loss of turnover materials</li> <li>● All construction processes use ready-mixed concrete and commercial mortar to reduce the material losses and environmental pollution at the construction sites</li> <li>● We conduct feasibility studies and popularize 109 technological achievements including high- and low-grade concrete interception airbag construction technology, municipal tube well PC construction technology and secondary comprehensive utilization technology of construction waste, and strive to improve the turnover efficiency of turnover materials and make the construction materials more environmentally friendly</li> <li>● Some projects make full use of the integrated design of building, civil engineering and decoration, and adopt integrated qualitative design for kitchens and bathrooms</li> </ul>
Waste disposal	<ul style="list-style-type: none"> <li>● Bright Dream's mobile brick-making truck separates and processes useful building scraps into recycled building materials products that meet the requirements, such as garden pavement tiles, grass-planting bricks, bricks for blind sidewalk and so on. The mobile brick-making truck for the reuse of construction waste has been put into use in many projects such as Fengtong Garden and Beijiao Country Garden Phoenix Terrace, the first batch of intelligent construction pilot projects of the Ministry of Housing and Urban-Rural Development, with a cumulative consumption of more than 500 tons of construction waste and over 200,000 colored pavement bricks (230*115*60mm) were created.</li> </ul>
Environmentally-friendly materials	<ul style="list-style-type: none"> <li>● We choose steel reinforcement, copper and other recyclable materials when determining the construction materials of projects.</li> </ul>
Dust reduction	<ul style="list-style-type: none"> <li>● The construction sites are 100% enclosed</li> <li>● The access roads in and out of the construction sites are 100% hardened</li> <li>● Materials at the construction sites are 100% covered</li> <li>● The sites are 100% cleaned by sprinkling water</li> <li>● Trucks coming in and going out are 100% flushed</li> <li>● Spray dust removers are 100% applied throughout the whole project period</li> </ul>

## Green Operation

As a company seeking comprehensive development of diverse businesses, Country Garden not only is deeply bound up with green operation in construction but also comprehensively implements low-carbon green operation measures in various

business operations, including property management, hotel operation, commerce, culture, and tourism project operations to promote the construction of a resource-conserving and eco-friendly society.

### Energy Conservation and Efficiency Enhancement

Country Garden is highly concerned with energy management and continues to explore energy-conserving technology to enhance energy efficiency and accomplish the goal of energy conservation. In 2022, we rolled out several energy-conserving renovation projects. The upgrade of hotel lighting achieved an annual energy conservation of 500 MWh. The

application of maglev central air conditioner technology saved a total of 150 KWH of electricity, and it is expected that the equipment can save 13 million KWH of electricity throughout its life cycle. Meanwhile, we advocate using clean energy by installing photovoltaic panels on the roofs of the hotels to move towards clean energy.

The energy use goal: The cost of energy consumption is at most 6.5% of the gross revenue<sup>3</sup>.



### Case

#### Case: Energy-conserving transformation of the central air conditioning

The Hilton Foshan upgraded its original air conditioning units using maglev air conditioning units with a more significant energy-saving effect. The actual operating energy saving rate of the reinvented maglev air conditioning unit is 36%, saving RMB765,356 in energy costs in 2022.

The Hilton Foshan upgraded the air conditioning units and optimized its operation and maintenance strategy and management. It integrated the special hardware, software platform, and energy management system, monitored the central air-conditioning system, and intelligently controlled equipment according to the cooling needs of each area. It minimized the energy consumption of the system while ensuring the performance of air conditioning.



Upgrading Original Air Conditioning Units

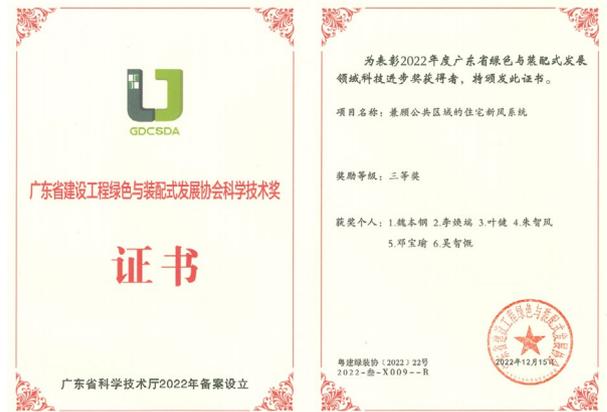
<sup>3</sup>Target: 46 hotels operated by Country Garden are included.

Case

Innovative fresh air system design for residential buildings

Country Garden Core Alliance Enterprise Boyi Architecture Design Institute of Country Garden developed a fresh air system with due consideration given to the public area through research on the fresh air system of residential buildings. In this system, the integrated fresh air unit is shared between the front and inside chambers and linked with the ventilation duct of the kitchen to deliver fresh outdoor air to the hoistway and residential rooms, reducing the energy consumption of traditional fresh air systems.

The research has won the "Third Prize in Guangdong Construction Engineering Green and Assembly Development Association Science and Technology Award".



Guangdong Construction Engineering Green and Assembly Development Association Science and Technology Award

Water Conservation and Waste Disposal

Country Garden attaches great importance to water resources management in all operational parts. In the operation of various businesses, we fully consider water resources protection, take water conservation measures adjusted according to local conditions, reduce water consumption, and avoid water pollution by equipping water-saving equipment and proper sewage disposal. The water source used by the Company is municipal water supply, and there are no irregularities in the use of water sources.

We promise to continue to advocate water conservation, strengthen wastewater reuse, and improve the efficiency of the use of water resources. The Hotel Group maintains effective routine management of water resources to save every drop of water possible, and conditionally implements lake water irrigation for green plants in hotel projects in operation.

Reduce Water Consumption	Avoid Water Pollution
<ul style="list-style-type: none"> <li>● High water efficiency sanitary ware and water-conserving pipes and fittings are used</li> <li>● Leak-proof valves and anti-corrosive durable tubing and pipe fittings are used</li> <li>● Water collection and storage systems are installed to collect rainwater, which will then be used for building construction, construction site dust control, irrigation and street cleaning if conditions allow</li> <li>● Efficient water-conserving systems consisting of sprinkler irrigation and trickle irrigation techniques are employed for greenery irrigation in communities</li> </ul>	<ul style="list-style-type: none"> <li>● Non-toxic and non-hazardous high-performance products are used as daily washing and cleaning chemicals</li> <li>● The drainage system adopts a separate sewer system for rainwater and sewage</li> <li>● Domestic sewage is discharged to the municipal water sewers after being treated by the three-level septic tank.</li> </ul>

### Waste Disposal and Recycling

Country Garden scrupulously follows the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and other laws and regulations to regulate the management of all types of waste. We collect waste in four categories: Hazardous, non-hazardous, recyclable, and non-recyclable. All the hazardous waste is delivered to qualified units for disposal. And the non-hazardous waste is recycled and reused as renewable resources and dismantled materials. Meanwhile, we take multiple measures to promote waste recycling and reduce

the volume of waste, such as reducing waste by recycling wires and cables, using excess concrete for prefabricated parts, requiring suppliers to dispose of waste during the procurement process, and prioritizing the purchase of durable and eco-friendly products.

We plan to use construction robots as much as possible in the Group's internal projects to reduce waste at construction sites and make waste valuable again via mobile brick-making vehicles and other applications.

### Green Initiatives

Country Garden vigorously engages in green publicity and advocates green consumption in hotel operations, delivering the green initiatives of environment protection and low-carbon lifestyle to each customer.

- Putting up environmental signs to remind customers of putting the supplies to be cleaned in a specific place to avoid the waste of water and pollution caused by repeated cleaning
- Encouraging our customers to take home leftovers and drinks
- Getting rid of styrofoam boxes, disposable wooden chopsticks, and using biodegradable boxes
- Organizing members of the "Green Activity Group" to learn from and share experience with peer hotels
- Putting up posters to publicize energy conservation and environmental protection in hotel lobbies, shopping malls, offices, etc.

## Green Leasing

Country Garden aggressively explores green leasing by expanding the channels of communication for the tenants, improving green alteration of the leased asset, and implementing green publicity to deliver the ideas of low-carbon environment protection to our partners.

### Greening the leasing products

Through the redesign, transformation, and function adjustment of old buildings such as displaced factories, warehouses, and dormitories, and the installation of intelligent metering systems and energy-saving lighting systems, we increase the use efficiency of leased buildings, support the energy efficiency improvement of leased buildings, reinvigorate urban functions, deliver industrial transformation and upgrading and realize the harmonious coexistence with the surrounding environment.

### Greening the leasing services

We encourage both homeowners and tenants to cooperate towards the sustainable development goal, encourage tenants to jointly improve the environmental performance of the property (such as energy conservation and emission reduction, etc.), and constantly publicize the concept of sustainable development to tenants, partners and other stakeholders. We also include the energy efficiency index into the lease contract, and give corresponding subsidies and incentives to tenants for their cost savings in energy conservation and consumption reduction. Through the joint environmental protection housekeeper, we integrate environmental protection design, health standards, environmental consultants and other resources to facilitate green transformation.

### Greening the leasing operations

In the entire operation process of leasing space, through the multi-pronged development mode of green building, construction, operation, and services, we fulfill the responsibilities for products, services, supply chains, environment, and society, improve ESG risk management and internal monitoring system, and join hands with all stakeholders to realize the sustainable development of leasing business.

## Green Office

Country Garden vigorously acts on the green office and put the philosophy of green development into daily work. We encourage our staff to start with themselves and start from now on to create together a healthy and warm working environment and build into a resource- and energy-conserving corporate.

<p><b>Saving Water</b></p>	<ul style="list-style-type: none"> <li>● We arrange daily inspections by professional staff to inspect the headquarters' pump room and dormitory solar water heaters and record the results. In the meantime, the staff is responsible for regular management and maintenance of secondary water supply equipment, to ensure proper functioning of facilities and equipment and avoid water leakage.</li> <li>● We adjust down the water valves in pantries, restrooms, and other areas to reduce water consumption while meeting their water needs.</li> </ul>
<p><b>Saving Electricity</b></p>	<ul style="list-style-type: none"> <li>● We put up power-conserving signs in prominent places, such as offices and public areas, reminding staff to save electricity.</li> <li>● We require the lights and equipment to be turned off when employees leave the office or public places. And we arrange appointed staff for inspection, and have installed induction lights in public areas without long lighting need so that the lights are off when staff leave.</li> <li>● We encourage the staff to use natural light, reduce the frequency of electric light, take stairs more often if they work on lower floors, take the elevator less often, and stop the running escalators during non-shift and -rush periods.</li> <li>● We require that the number and working time of lighting, fridges, water dispenser, display screens, and other electrical equipment be reasonably determined. And we promote using energy-efficient appliances and eliminate low-efficiency, high-energy devices.</li> </ul>
<p><b>Resources Conservation</b></p>	<ul style="list-style-type: none"> <li>● The Management Measures for Paperless Office of the Group is put into action and paperless office is advocated.</li> <li>● Unnecessary printing should be avoided and second-hand paper printing for non-important documents is called for.</li> <li>● We work with professional printing equipment companies to reduce the unorganized disposal of printers' toner cartridges.</li> <li>● Packing bags for food delivery and express services are recycled in the office area as garbage bags.</li> </ul>
<p><b>Green Mobility</b></p>	<ul style="list-style-type: none"> <li>● Energy consumption of official vehicles are strictly managed. The fuel consumption of official vehicle trips is analyzed for optimized management.</li> <li>● Carpooling on official vehicle platforms are encouraged. We partner with DiDi Global, offer coupons to staff, and endeavor to increase carpooling.</li> </ul>

## Green Products

In order to boost Country Garden's corporate commitment to green and environmental protection, we are vigorously promoting the research and development of green products and their application in various businesses. We follow the industry's leading environmental product standards, and prioritize green materials and advanced technologies. We further reduce the environmental impact during the manufacturing and use of our products through proper design, ensuring that 100% of the Group's furniture and bathroom products comply with national environmental standards.

## Tackling Climate Change

Country Garden is fully aware of the severity and urgency of climate change, and proactively explore numerous measures to tackle it. According to the disclosure requirement of the Task Force on Climate-related Financial Disclosures (TCFD),

we report the work plan and progress we made in terms of four main areas: Management, strategies, risk control, and indicators and targets.

### Management

We will continue to perfect our ESG management mechanism, and improve our governance of sustainable development. The ESG Committee under the Board of Directors is responsible for formulating sustainable development strategies and policies, including climate change, and identifying related risks and opportunities. ESG committee members are required to report to the Board on the progress of climate change related work at the meeting.

### Strategies

Country Garden is devoted to taking various measures to adapt to and mitigate climate change.



Climate Change Adaptation	Climate Change Mitigation
<ul style="list-style-type: none"> <li>● Assess the risks and opportunities brought about by climate change and deepen the understanding of the impacts of climate change on business operation as well as risks and opportunities for finance</li> <li>● Continue to improve project design to prevent and mitigate the possible damages caused by climate change to newly constructed projects</li> <li>● Make extreme weather management plan to deal with more frequent occurrence of extreme weather events caused by climate change</li> <li>● Formulate appropriate workflow and measures to prevent and mitigate the possible damages to existing properties and business and seize the opportunities offered by climate change</li> </ul>	<ul style="list-style-type: none"> <li>● Enhance research on and practice in green buildings and improve energy efficiency of buildings. For the projects developed by Country Garden, the concept of green building is integrated into the building since the design process. We adhere to the principle of prioritizing passive energy-saving buildings and optimizing active energy-saving buildings. The building envelope, equipment selection and overall building design will be guided by the national energy-saving design standards</li> <li>● Take climate change into consideration in procurement and encourage the use of low-carbon and eco-friendly materials</li> <li>● Encourage staff, suppliers, homeowners, tenants and other clients to cut carbon emission in daily business activities</li> <li>● Increase the use of renewable resources, especially increase the use of solar energy by setting up solar photovoltaic systems on the roof and facade, etc.</li> </ul>

### Risk control

Country Garden has established a comprehensive risk management structure and risk identification, assessment and management processes, as described in the "Risk Control" section. We are concerned about the impact of emerging risks on the Group's business, have identified long-term emerging risks in the property market where climate change risk has a significant impact on future business, and have determined corresponding countermeasures.

### Indicators and targets

Country Garden keeps pace with the era of low-carbon development and actively responds to the strategy of "carbon peaking and neutrality". In the future, we will systematically promote the work for carbon neutrality by formulating short-, medium-, and long-term goals of carbon reduction, and steadily promote climate change management. Meanwhile, we will formulate respective carbon reduction measures for carbon emissions within Scopes 1, 2, and 3 to strive to reduce carbon footprints and facilitate the achievement of the goal of "carbon peaking and neutrality" as soon as possible.

## Ecological Conservation

We meticulously comply with the laws and regulations of the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Wildlife, and conduct due diligence and ecological assessment of the development sites prior to the

development and construction of the projects to ensure that the entire process of project advancement is in line with the principles of sustainable development and to avoid adverse impacts on the ecological environment.

### Our green building development goals

Country Garden is committed to avoiding developing and encroaching farmland and green land. If the development is necessary, we obtain approval from relevant departments in advance and minimize the impact on the green land and surrounding ecosystems in the subsequent development process. For such brownfields as wasted industrial plant plots with soil pollution problems, we build a risk assessment system for contaminated plots, implement soil remediation plans in accordance with relevant regulations, and develop brownfield projects in compliance with regulations after passing third-party review.

### Biodiversity protection

Country Garden is always committed to the protection of biodiversity and only carries out construction and commercial business on plots after passing the government's assessment on the projects' impacts on biodiversity. We also try to reduce the potential adverse impacts of business operations on biodiversity. We are involved in biodiversity conservation worldwide, exploring biodiversity conservation with partners inside and outside the industry and the academia. We have worked with many other specialized scientific institutions, such as AES, an environmental consultancy, DHI, a hydrological consultancy, Universiti Putra Malaysia.



Case

## Helping sturgeon migrate and protecting biodiversity "Helping Sturgeons Migrate, Guarding the Yangtze River"

On May 14, 2022, Country Garden and Guoqiang Foundation joined hands with six other organizations, such as the Hubei Yangtze River Ecological Protection Foundation, the Yangtze River Fisheries Research Institute, to launch the Chinese sturgeon breeding and release campaign themed on "Helping Sturgeons Migrate, Guarding the Yangtze River". The Chinese sturgeons in this campaign were bred by the Yangtze River Fisheries Research Institute, covering four different age groups, from 7 months old to 14 months old. With donations from benefactors, a total number of 666 Chinese sturgeons were released, including 166 sturgeons aged over 4 years.



Guoqiang Foundation and the Yangtze River Fisheries Research Institute of Chinese Academy of Fishery Sciences have reached long-term strategic cooperation

# 10 People-oriented Country Garden, Your Companion

## Overview

Country Garden always upholds the philosophy of “caring about people, society and its employees”, protects employees’ basic rights and interests, and exerts efforts in creating an equal, harmonious and free working environment. We keep improving and iterating the internal talent management system and providing employees with diverse development and presentation opportunities, and we care about our talents and promote their healthy growth wholeheartedly.

## Topics Discussed in this Chapter

Sustainable development topics discussed in this chapter:

Talent recruitment and team building

Staff training and development

Employees’ health and safety

Employees’ rights and care

Equal employment and employee communication

Prohibition of child labor and forced labor

## SDGs discussed in this chapter

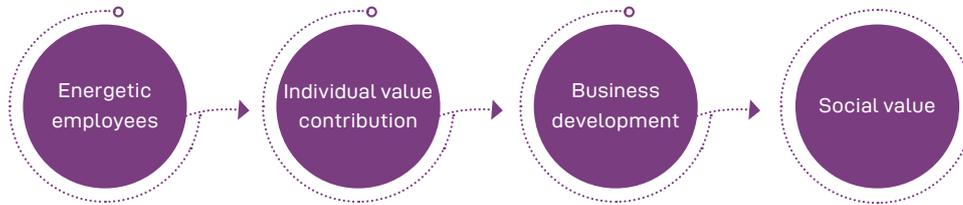
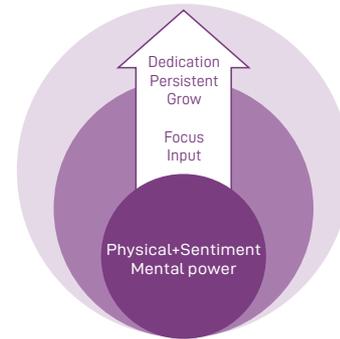




## Theme: Vitality stimulated by the inspiration of culture

Country Garden continued to pay attention to the vitality of employees, launched a special survey on the vitality of employees, and explored the youth code of the organisation. On this basis, the model of "Country Garden Employee Vitality Onion Rings" refers to the comprehensive performance of individual's physical and psychological energy level, work input and dedication in the work scenario. Employee vitality is the cornerstone of the sustainable development of the enterprise with the growth of employees. From the perspective of employee care, according to the big data of nearly 25,000 employees' vitality level of the real estate sector of Country Garden Group, combined with the STOC diamond model summarised in the ten-year development of Country Garden, the vitality level of employees and their vitality influence factors were verified, including four links of evaluation, discussion, improvement and review, to quickly solve the "inactivity" of employees and enable employees to give full play to their value in the organisation.

Employee Vitality model



### Energy Circle

High levels of physical and emotional energy and positive mental state.

### Engagement Circle

Focused on specific job tasks and responsibilities.

### Contribution Circle

Sense of mission, self-driven to "get things done" and collaborate symbiotically with the organization.

Note: As the level of energy increases, the individual's influence within the group also increases.

## STOC Diamond model

Strategy	A strategy should endure like a diamond.
Organization	An organization should be invincible like a diamond.
Talent/Culture	Talent and culture are the two essential elements of diamond.
Employees	Employees, like atoms in a crystal structure, form connections through shared values.



## Unity of Iron Spirit and Knowledge

The front-line employees continued to learn and focus on the "1 + 4 goal and 5 phrases through the cold winter" and everyone strives to be a rower.

The training content closely follows the 1 + 4 goal and the key tasks of the HR coordinated business.

Available funds, sales proceeds, asset revitalization, financing loans, efficient working capital; Improving delivery, ensuring delivery, shaping culture, improving efficiency and winning the battle.

Intended to focus on 5 sentences through the cold winter: confidence building, self-help growth, good at asking for help, penetrating management, cash flow management, etc.



2022 Tiejuan defense research class training

### Benchmarking – Occupation Heroes

Country Garden attaches great importance to the creation and value of every employee. In particular, we have set up the "position heroes" honour for front-line positions. Every year, we select employees who have made outstanding achievements or outstanding values in ordinary positions (112 in total in 2022). We promote the spirit of dedication, hard work and excellence, and drive the growth of employees with the power of role models.



### Cultural Festival for Engineers

- As Country Garden's first engineer and first project manager, Yang Guoqiang, the founder of Country Garden Group, emphasized on many occasions the "customer-centric" high-quality engineering standards, and put forward requirements for a team of engineers who strive for excellence, professionalism and efficiency.
- In order to convey the spirit of ingenuity and move towards the era of quality, Country Garden defines the third Friday of April every year as the "Engineer Cultural Festival". This is a festival that belongs to all the engineers of Country Garden.
- On April 15, 2022, Country Garden launched the second engineer cultural season across the Group. With the theme of "Professionalism for the Future", Country Garden organised nearly 20 thousand engineers to participate in the event for a period of three months, focusing on top-down benchmarking selection, knowledge competition, professional video competition and other activities around the engineering line to create a Country Garden engineer culture centred on "Craftsmanship".



Representatives of front-line engineers took a solemn oath at the opening ceremony of "Engineer culture season"

## Morality as the Top Standard for Recruiting

Always putting people first, Country Garden is committed to building itself into a diverse, equal, inclusive and mutual assistance career development platform. It continuously improves its brand as an employer, develops talent attraction plans and actions, and establishes an advanced and agile recruitment system to attract outstanding talents from around the world.

### Equal Employment

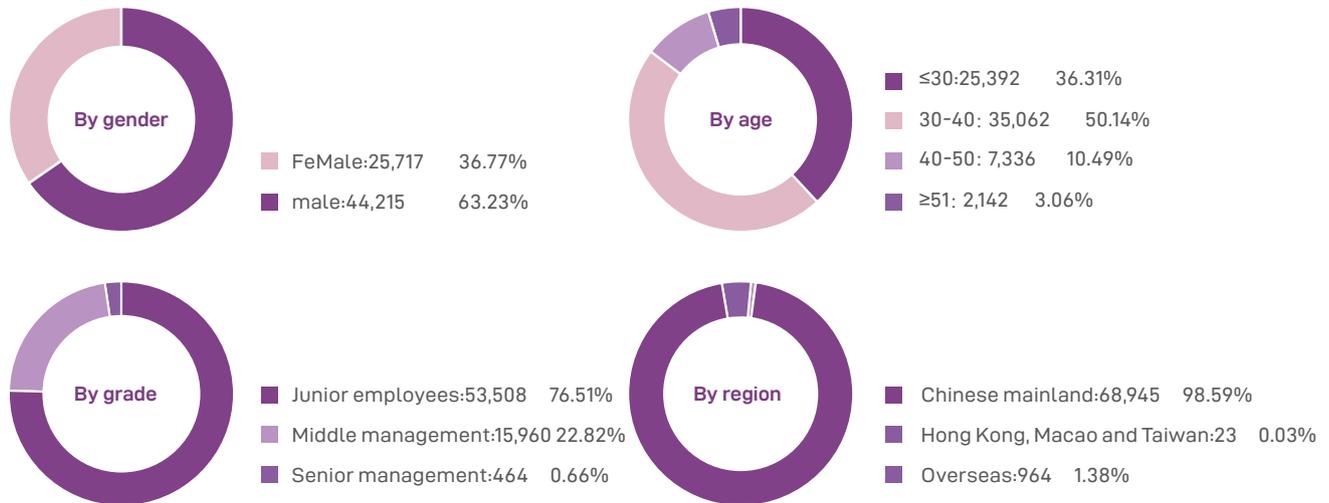
Country Garden strictly conform to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, Provisions on Prohibition of Child Labor, and other laws and regulations, actively practices the principle of equal and fair recruitment and promotion, and has developed the Guidelines of Country Garden on Talent

Recruitment and other in-house managing mechanisms. We undertake that we will never differentiate applicants by their gender, age, religion, ethnicity, family or health conditions, that we will strictly prohibit child labor and forced labor, and that we will ensure an equal employment relationship with employees according to laws and regulations.

### Key Performance

- In 2022, no illegal employment, child labor, or forced labor was reported.  
100% of our employees have signed labor contracts with Country Garden.

In 2022, Country Garden has created a diversified, professional and inclusive team of talents.



**Key Performance**

- By the end of 2022: Women have accounted for 22% and 18.57% of the Group's middle management and senior management, respectively. The pay ratio of male and female employees is equal to 1:1.

**Diversity and Inclusion**

Country Garden strives to provide a diversified, harmonious and inclusive working environment. We resolutely oppose all discrimination, fully protect the basic human rights of employees, recruit underprivileged people, and create equal career opportunities for all people.



Country Garden always advocates an equal and diversified working environment, and is committed to cultivating a free and open organizational atmosphere for employees. We uphold gender equality, stay committed to equal pay for equal work, have been constantly raising the proportion of women among senior management, and value and respect the cultural traditions and rituals of ethnic minorities including their dietary habits by setting up special food windows for them at our canteens.



We encourage a corporate culture of diversity and inclusiveness, and oppose all discrimination. During recruitment, we treat all applicants and employees equally, except for clear requirements for educational background, never treat them differently by their social identity, and oppose all sexual or non-sexual harassment. We state such requirements in our Employee Guidebook, the Employee Codes of Conduct and the Accountability Measures for Violation of Rules and Regulations by Employees of Country Garden and other policies, and stipulate the punishments for violations and the procedures for reporting and appeal on violations. We are also actively offering education and training to new and existing employees to advocate that everyone is responsible for anti-discrimination.



Country Garden adheres to the principle of diverse and inclusive recruitment, and strives to ensure equal employment opportunities for all. The headquarters of the Group and our regional companies maintain close contact with local social security bureaus and neighborhood committees to facilitate the employment of the disabled. Meanwhile, in order to ensure that the underprivileged people can better fit in and adapt to their work in Country Garden, we assign them to appropriate positions based on the characteristics and needs of our business lines, and provide them with corresponding skills training, so that they can realize their labor value.



As one of the members engaging in the United Nation's Global Compact, Country Garden has actively complied with the fundamental principles of the UN Global Compact as well as initiatives at home and abroad with regard to human rights and employee rights. In the operation of the Group, we attach importance to both human rights protection and business operation. Country Garden communicates with related parties on the progress of the UN Global Compact, and disclose our commitment and actions in the field of human rights. Moreover, we include the items of employees' working time and working environment into the Labor Contracts. We also introduce the content of the protection of human rights in relevant mechanisms, so as to further implement the work of human rights protection. In addition, Country Garden respects employees' freedom to join associations, safeguarding their rights in participating in different organizations, labor unions, and employee representative conferences, etc. Up to now, Country Garden has set up its labor union and various employee associations, ensuring employees' freedom to join associations.

**Key Performance**

- The Group has employed an average of about 116 disabled people each year for the past five years.
- There were no discrimination and harassment related incidents this year.
- 78% of the Group's employees join the labor union.

**Careers at Country Garden**

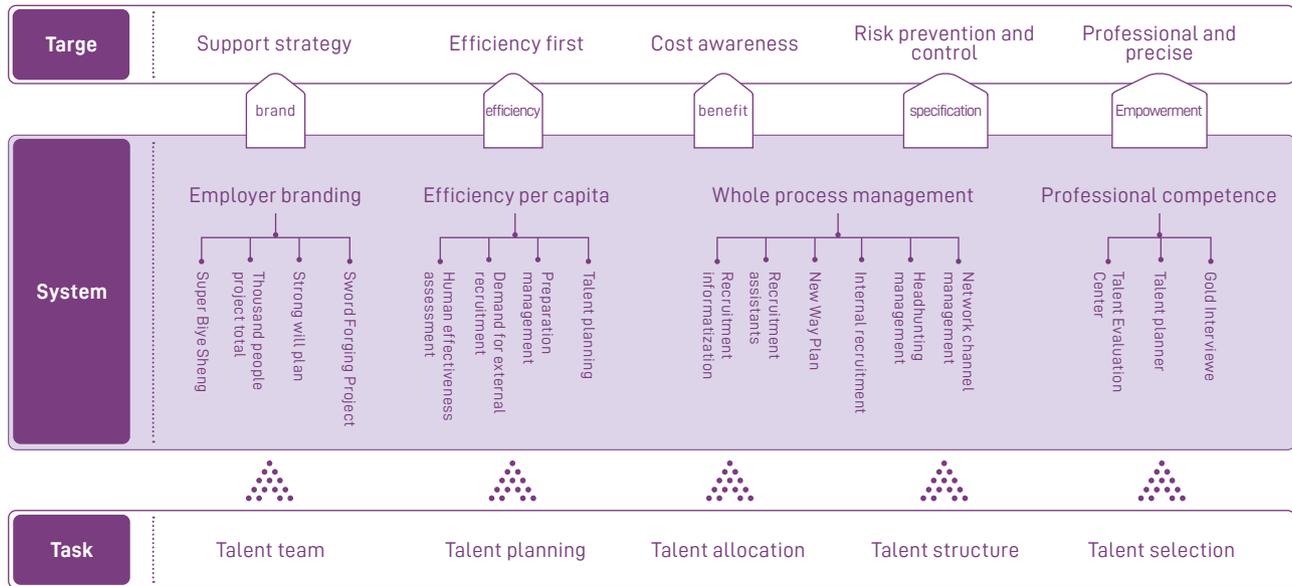
Country Garden put more efforts in building its own brand as an employer, and has launched the Country Garden Graduates and Inclusive Recruitment Program targeting campus and society to continue to strengthen our talent pool. Furthermore, we take the initiative to assume our social responsibilities, create jobs for local people, and continuously promote localized recruitment. To help the Group and regional companies to

recruit talents in an extensive, efficient and accurate manner, we have set up a full-fledged recruitment system and process, conducted campus and off-campus recruitment programs through the "Minjie (Agile)" Recruitment Operation and Management System, and defined the objectives, missions and systems of talent recruitment.

**Key Performance**

- By the end of 2022, Country Garden's real estate business (overseas and Hong Kong SAR) has hired 85.6% of its workforce locally.

**Minjie recruitment operation management system**



## Respecting Talents

Country Garden respects and protects the rights and interests of its employees, and is committed to realizing the nice vision of harmony and mutual benefits between the Company and its employees. We have determined guaranteed salaries and

benefits, established and improved the occupational health and safety management system, and smoothed the channels for employees to express their opinions, so as to facilitate the Group's steady and long-term development.

### Protecting Rights, Interests and Benefits

Country Garden respects and protects the rights of its employees arising out of work. We have established and improved the diversified payroll and benefit system, measured employees' value and contribution in an objective manner centering on humanistic care, and distributed salaries and benefits due to employees.

#### Incentives and compensation

We value labor work and highlight the fairness and competitiveness of salaries. According to Country Garden Remuneration Management System, Country Garden Employee Performance Appraisal Management and other policies, we implement remuneration management and performance appraisal, so as to ensure that employees' contribution in work matches their remuneration. We measure employees comprehensively based on position, market, performance and ability, and pay competitive salaries to employees, so as to attract and retain outstanding talents.

#### Employee welfare

Country Garden provides employees with wide-coverage welfare benefits in various forms, aiming to raise their sense of happiness and belonging. In 2022, we revised the Management Measures of Employee Welfare Subsidy for Domestic Real Estate Segment to make standards more standardized and clearer and clearly define the coverage, subsidy standard and payment method. We also improved and updated Country Garden Employee Relationship Management Policy and the Management Policies for Attendance and Leave, further making clear the welfare benefits for vacations and holidays, and stating for the first time that eligible employees can have parental leave. In addition, we strictly abide by the relevant laws and regulations, including the Regulation on Public Holidays for National Annual Festivals and Memorial Days, Regulation on Paid Annual Leave for Employees, and Measures for Implementation on Paid Annual Leave for Employees of Enterprises. In addition, based on the national standard, the Group keeps enhancing the benefits of employees by honoring its commitment to valuing talents and respecting labor.

### Occupational Health and Safety

Country Garden makes great efforts to guard the physical and mental health and safety of employees. We strictly conform to the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, and other laws and regulations, has laid down the Country Garden Group SOP Manual for Safety

and Civilization Measures, Country Garden Group Operation Management System and other internal policies for health and safety management, and set up extensive and systematic indicators for health and safety management, so as to protect contractors' and all Country Garden employees' occupational health and safety.

Occupational Health and Safety	
Health & safety strategy	Country Garden takes "early prevention, strict control and strong system" as the core of safety production and upholds the "safety first and people-oriented" philosophy to guide and guarantee safety and cover all staff in safety management.
Occupational health & safety metrics and targets	<p>Country Garden takes "zero death or injury" in safe production as its ultimate goal. In 2022, we continuously improved the management of occupational health and safety metrics, supervised the occupational death rate including contractors' employees and persisted in strengthening the safety supervision management of all employees; overfulfilled the occupational health and safety targets and set a non-zero occupational health and safety target for the upcoming year: we are committed to reducing the occupational death rate by 10% compared with 2021.</p> <p>We also set mid- to long-term non-zero safety targets:</p> <ul style="list-style-type: none"> <li>● 1) 2025 target: zero major (or above) safety production accidents, and the annual accident rate per one million square meters will be kept below 0.05;</li> <li>● 2) 2035 target: to eliminate the occurrence of fatal occupational injuries, and to keep the annual accident rate per one million square meters below 0.03.</li> </ul> <p>In addition to our own employees, our occupational health &amp; safety metrics management also covers our contractors' employees. Our regulatory approaches include:</p> <ul style="list-style-type: none"> <li>● 1) We take inspection measures such as unannounced safety inspection, third-party project patrol inspection, joint safety inspection, and joint safety guarantee;</li> <li>● 2) After a safety accident occurs, the Group would immediately carry out an investigation, have an interview with the deputy general manager-level leader of the department responsible for the accident, and make corrective actions; make such penalty decisions as prohibiting bidding for half a year to one year or putting it on the blacklist of the Group, considering whether the management behavior is appropriate.</li> </ul>
Senior management supervising safety work	We regularly conduct executive safety supervision for our ordinary employees to raise and enhance senior management's attention to safety work, and awareness of the first-line work. Our Group President leads a team to construction sites to check the safety work on a quarterly basis, publicizing the Group's safety culture and supervising the safe production of the region and projects. Our Regional Presidents and Regional Operational Heads lead teams to construction sites to check the safety work on a monthly basis, supervising and directing the implementation of the Group's various safety control measures and safety management systems to effectively enhance the Country Garden Group's control on project safety work.
Safety performance-related salary and incentives	We require senior executives to be held accountable for safety management and link their salaries with safety performance. In case of a safety accident, in accordance with the Safety Production Management System, the Group imposes different degrees of economic penalties (deduction of bonus, etc.) and administrative penalties (demotion or dismissal, etc.) on regional presidents, regional officials in charge of safety-related issues, regional safety managers and project managers, depending on the severity of the accident. In case of safety accidents, we will implement veto power, cancel the current operation incentive, cancel the achievement sharing of regional projects, and cancel the qualification for competition.

Occupational Health and Safety	
<b>Verification mechanism for safety measures</b>	<p>Each year, Country Garden checks the production safety mechanism, assesses the implementation of the mechanisms, and adds and improves relevant policies and systems. In 2022, we improved a number of safety management systems, revised the Country Garden Group Operation Management Mechanism (for Safety), formulated the notices and guidelines of unannounced safety inspection and joint safety inspection of construction units, continued to put into practice a number of safety-related incentive and punitive measures, and provide comprehensive institutional support for safety management from various perspectives, such as safety management mechanism, supervision mechanism and performance incentives.</p>
<b>Health &amp; safety management certification</b>	<p>We are committed to increasing both the number and quality of health and safety certifications. Country Garden encourages all the business segments within the Group to obtain health and safety management certification, and plans to further expand the number and the coverage of safety certifications including OHSAS 18001/ISO 45001. At present, Country Garden Agriculture, Bright Dream Robot, and Giant Leap affiliated to the Group have passed OHSAS 18001 certification.</p>
<b>Contractors' safety management</b>	<p>We attach great importance to the implementation of occupational health and safety of contractors' employees. The health and safety standards are specified in the agreements signed with our contractors. A whitelist mechanism is adopted. Each region evaluates the health and safety-related implementation of the contractors and makes public the red and black lists on a monthly basis, and will have an interview with contractors who perform poorly in this regard. In the event of a safety accident or failure to follow the information reporting mechanism, we will take measures including public criticism and punishment. During the cooperation, the Risk Control Audit and Supervision Center makes sustained efforts to supervise the health and safety work of our contractors, and the audit line will carry out effective intervention and supervision according to the reporting and punishment of safety accidents in a closed-loop management.</p>
<b>Safety publicity</b>	<p>We strengthen the cultivation of safety culture in our daily work to instill the awareness of safety in the employees. We introduce the "Four Ones" principle, regularly carry out safety education, and promote the "Guardian" culture, so that employees can really pay attention to safety and take the initiative with enthusiasm to ensure safety.</p>



Case

### Better physical examination for Country Garden employees to guard employees' physical and mental health

As guided by the basic philosophy of "always putting the people first and caring about employees", Country Garden attaches great importance to the physical and mental health of its employees. In 2022, we offered extremely preferential price discounts to employees, and greatly expanded cooperative physical examination agencies nationwide, providing employees with more options for physical examination. In 2022, the number of hospitals working with Country Garden to conduct physical examination for its employees increased by 30% year on year, and the overall increase rate was nearly 66%.

#### Listening to the Employees

Country Garden takes the initiative to develop smooth communication channels, and respects and fully listens to every employee. We keep organizing such exchange activities as "Meet with CEO" and "Meet with Senior Executives" so that employees at all levels can directly talk to the management and express their voices and opinions without barriers and employees' concerns can

be addressed. In 2022, we put into use the "Intelligent Consulting Platform for Human Resources and Administrative Affairs" that centers on employee satisfaction and experience, so as to further broaden communication channels, provide employees with a more efficient and more direct consulting platform, and create an atmosphere of smooth and vocal communication.



Case

### "Meet with Senior Executives" was held to address employees' problems in work

In 2022, we carried out the "Meet with Senior Executives" activity in the Country Garden Cultural Event for Engineers. We invited the Vice President of the Group to conduct equal dialogue and exchange ideas with nearly a thousand people including the Company's managers, post heroes and upward good youth of different positions in various departments and business lines, to share their growth experience, answer employees' questions, give suggestions on the workplace, make employees' knowledge and guide people to grow, and at the same time allow employees to better understand the Company's current decisions and strengthen their confidence.



Case

### The "Intelligent Consulting Platform for Human Resources and Administrative Affairs" was put into use to improve employee satisfaction and experience

In 2022, Country Garden officially put into use the "Intelligent Consulting Platform for Human Resources and Administrative Affairs" that centers on employee satisfaction and experience and meets the business development needs of the Company. The platform provides over 1,000 employee-targeted Q&As and five multi-task scenarios for quick inquiry and chats, serving as a new consulting channel for employees. Through AI Q&A, online manual customer service, face-to-face consultation and pop-up windows for professional questions, it addresses employees' difficulties, greatly improves employees' daily consulting experience, and promptly and satisfactorily solves employees' problems.



## Talent Development as a Priority

Country Garden always gives top priority to talent training, provides smooth promotion channels for talents, and carries out extensive off-campus talent recruitment; It sets up a scientific and refined appraisal and incentive system, and provides occupational training in various forms to boost employee growth.

### A Clear Development Ladder for Employees

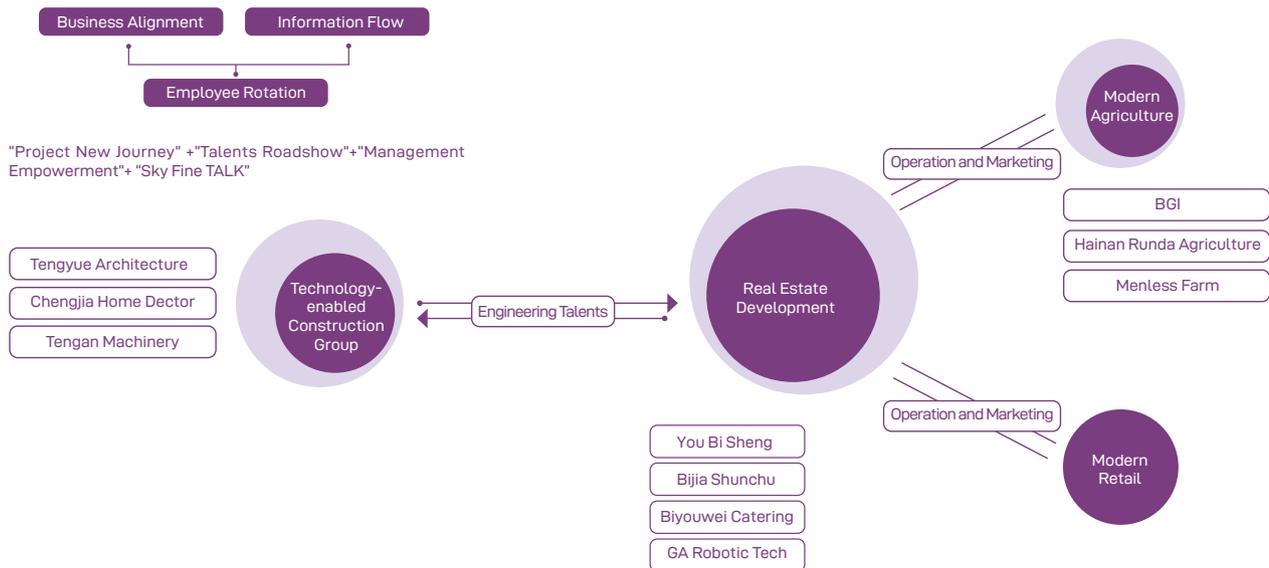
#### Career grid development

Country Garden regards talents as the wealth of the Company, incentivizes benign competition, and encourages outstanding talents to fully exert their values. We conduct off-campus recruitment, and keep updating and releasing recruitment announcements to attract and select excellent operation managers and provide an equal and open career platform. We also emphasize talent development, and ensure that everyone can apply their strengths at the right position. We have also proposed a concept of professional grid development to

smoothen the channels for all-round flow of talents.

In order to encourage cross-sector and cross-discipline multi-dimensional development of employees and support employees' exploration of more possibilities, Country Garden smoothen the channels for all-round flow of talents, promotes the sharing of training resources and talent teams between new business and the primary real estate business, and has realized the "inner circulation" of outstanding talents.

### Country Garden Employee Eco-System



## Key Performance

- In 2022, 1,732 employees in Country Garden realized career grid development, among whom 33.31% were above the manager level.

### Inspiring Employees to Grow

Country Garden strives to promote the development and growth of its employees, implements a sophisticated and perfect employee assessment and incentive mechanism, and deeply explores the growth and development needs of its employees. We build a digital human resource management system to bolster talents capacity enhancement and achieve sustainable development of employees and the company.

### Closed-loop Incentives & Evaluation System

In 2022, Country Garden continues to promote the implementation of a closed-loop incentives & evaluation system which is a phased system consisting of target management, performance assessment, performance coaching, and feedback and comprehensively covering the early, middle and later stages of talents' development to facilitate the continuous growth of employees.

### Talent pool checking system

Talent pool checking has become a regular activity of the talent management in Country Garden. In 2022, we continued to push ahead with talent pool checking covering 100% of the regions, and fully identify outstanding talents, and focus on training and empowerment. In 2022, Country Garden further calibrated the scope of talent pool checking, upgraded the talent standards according to the industry status quo and business requirements, and connected the profiles of key talents with the eHR system to continuously optimize the talent pool checking mechanism.

## Key Performance

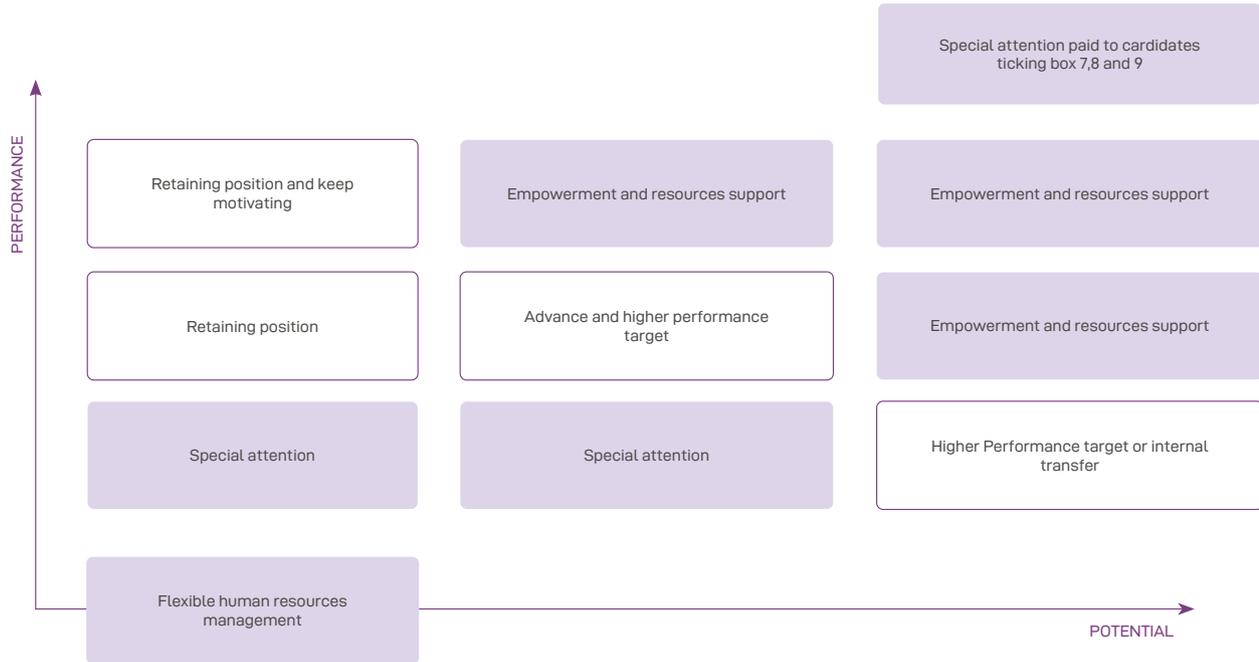
- In 2022, a total of 58 real estate areas have completed the talent pool checking activities (100% coverage rate)

In 2022, a total of 58 real estate areas have completed the talent pool checking activities (100% coverage rate), covering key talents such as the first person-in-charge of the project, the first person-in-charge of functional lines and the first person-in-charge of project engineering.

### Upgrading of talent pool checking in 2022:

1. Scope of stock-taking and calibration: divided by regional sales scale, classified and layered management, and focused more on organisational talent needs.
2. Upgrade of talent standards: according to the current situation of the industry and the Company's operation requirements, the allocation of the project is extremely simple to ensure that the project is completed and the talent review standards are updated and upgraded; The first person-in-charge of the project was newly added, with 6 capabilities and qualities.
3. Key talent files: The key performance data of the automatic introduction of EHR online has been connected with the key talent files.

### TRGETS AND PRINCIPLES APPLIED FOR TALENT POOL CHECKING



### Digital Talent Management System

Country Garden uses digitalization and information technology to build HR information platforms such as "talent profile", "talent cloud" and "learning cloud" to comprehensively improve the management efficiency of HR departments, empower employees to learn, grow and make wise decisions, and promote the scientific development of Country Garden talent system and corporate business.

To better meet the demands for employee career development, the 2022 Country Garden Learning Cloud 3.0 platform has been truly activated compared to its previous role as a supplemental tool for offline employee training management. This has resulted in a change in employees' autonomous learning behavior, which is now being recorded and recognized. The platform's content covers the entire career development cycle, various professional modules, and practical case studies, among other things, to comprehensively satisfy employees' learning and development expectations. As of 2022, the Country Garden Learning Cloud 3.0 platform has accumulated over 20,000+ recorded courses, with over 2,800+ employees participating in sharing, and a total of 19.59 million online learning sessions and 71.73 million minutes of online learning time.

### Talent profile system

We have established a "key talent profile system" to effectively improve the information management efficiency of key talents and help them grow and develop.

### Talent cloud system

We put in place a brand new talent deployment system and realize the all-scenario online deployment of talent deployment through such core functions as the fusion of recruitment channels, unified talent deployment process, talent resources sharing, and AI-empowered recruitment; we also build a complete ecological system of talent deployment by launching an official recruitment website and Wechat official website to realize all-around digital transformation of talent deployment.

### Learning cloud system

This system supports various learning scenarios such as online learning, intensive training, and O2O hybrid projects and meets the learning needs of employees anytime and anywhere; It covers a series of learning management tools, such as knowledge management, training management, certification management, etc., and comprehensively improves the efficiency of learning management.

### Talent box

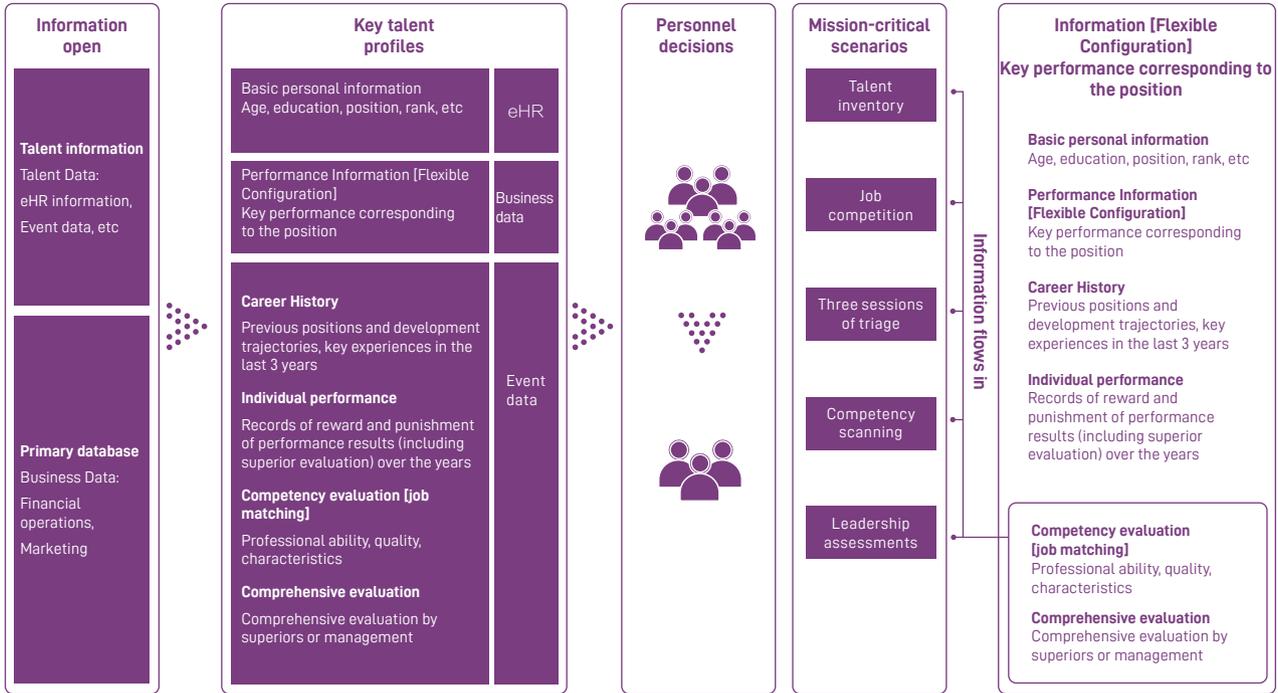
We have launched the "Talent Box" tool to realize the whole-process online management of talent activities, paperless office and a closed-loop business line, and standardized the management of talent activities while implementing the principles of openness, fairness and justice in talent selection. With this tool, we have seen manual labor time considerably reduced and efficiency of judges, employees, and HR-organized activities all significantly improved, with efficiency improvement rate over 80%.

## Key Performance

- In 2022, Total number of online courses of Learning Cloud Over 20000 + The Talent Box organized 210 activities, with a total of 373 participants.



Digital talent management system



Case

"Excellent Case of Digital Transformation of Enterprise Human Resources Management" by the Enterprise Talent Branch of China Human Resources Development Research Association in 2022



HRoot Best Human Resources Sharing Centre in Greater China Excellent Case of Digital



HRoot Best Human Resources Sharing Centre in Greater China Excellent Case of Digital

### Professional qualification certification mechanism

Country Garden puts a new premium on improving the professional capacity and job competence of the project managers and continuously strengthening the professional qualification and capacities of personnel. In 2022, we continued to promote the professional qualification certification mechanism and started the qualification evaluation for

project managers. Through hierarchical management, we comprehensively graded basic literacy, key experience, past performance and bottom-line requirements. Meanwhile, the supporting professional qualification certification system is put into use, so that more efficient and accurate certification work can be achieved.

### Key Performance

- In 2022, Country Garden has carried out professional qualification certification for a total of 360 person-times. Country Garden achieved 100% coverage of the first persons in charge of the projects.



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2022 Engineering Manager Certification

## Enrich Training for Employee

Country Garden has deeply explored the growth and development needs of its employees, places a high value on strengthening the construction of talent teams, continues to improve the talent training system, and delivers a broad development platform to employees.

### Talent training system

#### Horizontal development

Our training system is devoted to providing employees with all-round training opportunities. Country Garden establishes a four-pillar training system, including "leadership school", "professional departments", "online school", and "open lectures" to comprehensively meet the differentiated demands of talents.

#### Vertical development

Our training system boosts and helps talents' development. Through multi-level training programs, namely fledgling program, flying program, leading program, nirvana program, and coaching by senior management, we put in place a career ladder for employees to move up from junior managers to senior executives.

In 2022, the talent training system was upgraded in an all-round way, focusing on the improvement of different core talents throughout the whole cycle.

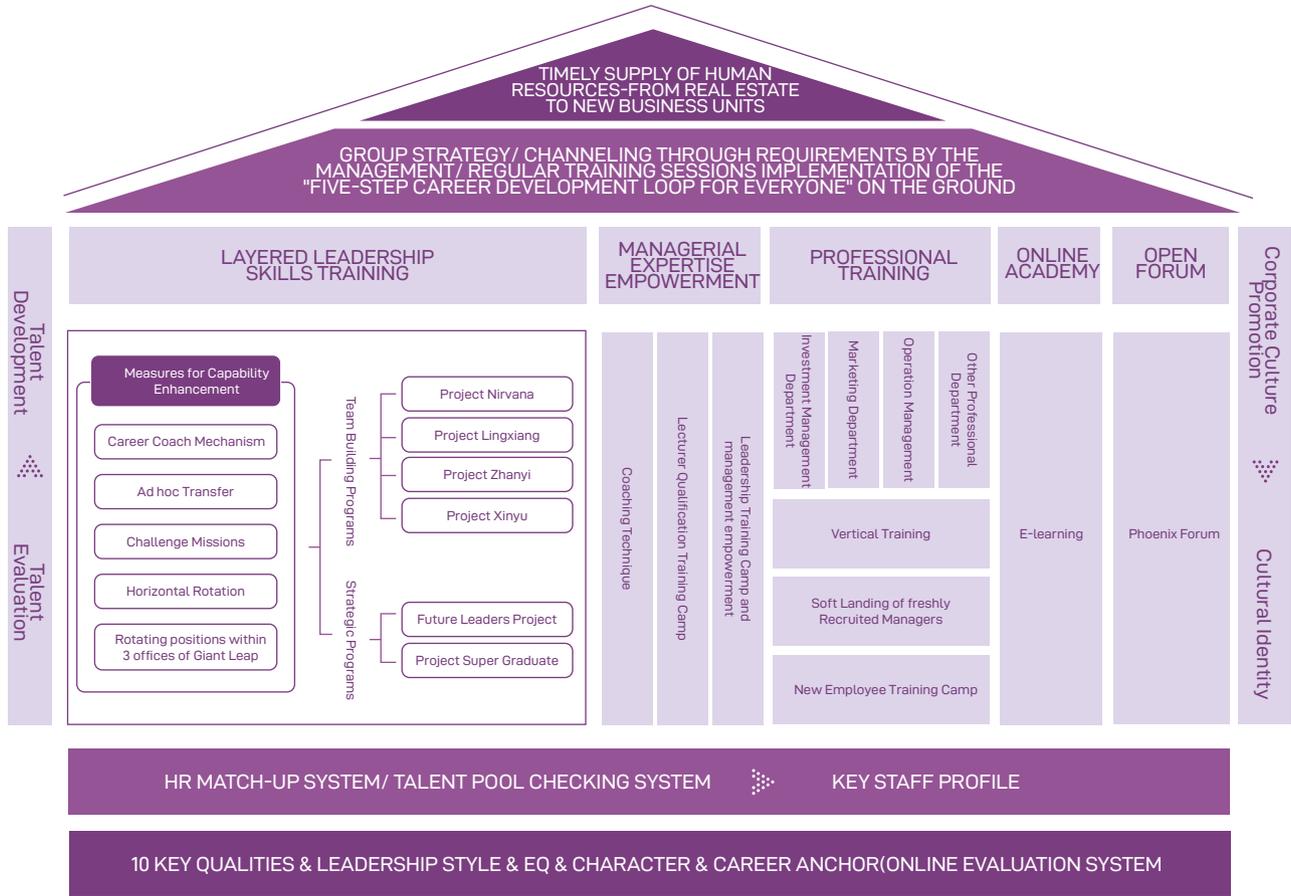
#### Taking the project group as an example:

We have introduced the "1 + 3" project full-cycle management system (one system and three special management measures). The Company clarified the management focus in the whole cycle of core talent development, consolidated the job foundation, unified the management requirements, evaluated talents in multiple dimensions, and promoted the positive and healthy development and value margin contribution of talents. Through the Measures for the Administration of Professional Qualifications, the Group strictly implements the qualification management of project managers and controls the appointment standards. Through the Performance Management Measures, the Company paid close attention to the performance output of key positions and the achievement of goals, timely discovered problems, solved problems, realised a multi-dimensional evaluation system of project general appointment management through the Leadership and Organizational Power Evaluation Measures, found the cause of disease, and accurately improved the total ability of the project.

#### Taking regional groups as an example:

In 2022, through the full-cycle management of the regional president team, Country Garden Group improved the quality of the regional president team and consolidated responsibilities to help the organisation go through the cycle. Focus on development for the regional presidents in office; Regarding the resigning regional president, the Company paid close attention to their responsibilities and contributions; For the president of the backup area, we will focus on development and growth.

Finally, through the full-cycle management of core talents, key talents will continue to emerge, better reach consensus and solve problems more efficiently.

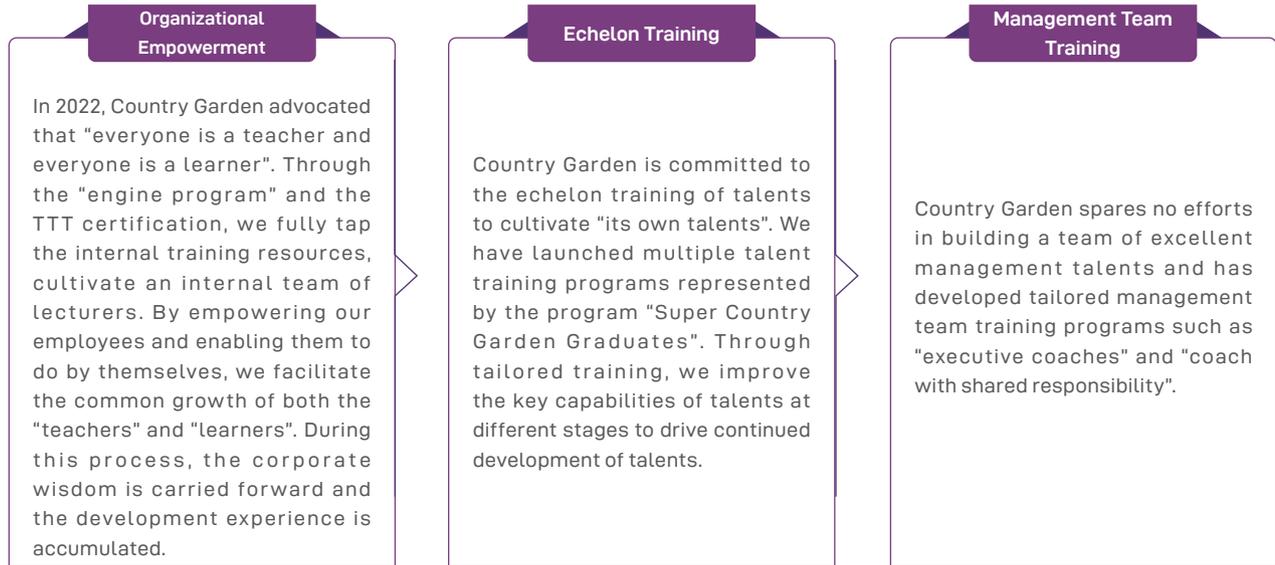


**Key Performance**

- In 2020, the Human Resources Management Centre of Country Garden officially launched the "Senior Management Leader Class" of the Company's senior management training programme.
- By the end of 2022, A total of 168 trainees have been cultivated, and a total of 15 regional presidents have been sent to the Group during the period to help the development of the organisation.



2022 Podium Competition of Senior Management Leader Class In 2022, Country Garden continued to introduce high-quality internal and external training resources, adhered to organization empowerment and echelon training, implemented regular training, and carried out special training programs for management talents to propel high-quality growth of talents.



**Management team training plan**

Country Garden spares no efforts in building a team of excellent management talents and has developed



Coaching by Senior Management: Through various forms, such as coaching by executives of the Group, case study and external training courses, this program aims at comprehensively improving the management, organization, leadership and innovation capabilities of senior managers, incentivizing key talents to play a key role and helping the Group achieve its strategic goals. By the end of 2022, the program has trained a total of 168 trainees and produced 15 regional presidents in three years.



Through thorough communication and full disclosure in advance and in accordance with the One-year Target Schedule confirmed by the three parties of the coach, coachee, and their respective regional centers, it fosters the development of capacity of the coachee in addressing special problems and enhancing the line productivity, and perfects the management system and its application. The Human Resources Center collects the coaching summary and regional improvement data/information on a quarterly basis through the online platform of the coaching center. The information mainly focuses on: improvement of personal leadership, regional organization capacity, the capacity to solve major and difficult problems, and output of process analysis data.

## Care about Employees

Country Garden endeavors to provide our employees with a working environment that is comfortable, warm, and positive by launching various fun events and cultural activities, making every effort to help and support people in need, and delivering a constant stream of love to our employees.

### Work-life Balance

Country Garden encourages employees to work passionately and advocates a great love for life. We conduct a colorful series of club activities covering sports, culture, and life. We roll out activities such as culture months, concerts, and book clubs

to allow employees to relax and express themselves, help them achieve work-life balance, and improve their sense of happiness and belonging.

### Key Performance

As of end of 2022

- We ran 20 headquarters clubs and hosted 136 regular activities, with 3,000 participants.
- The regional club developed 119 societies.
- Fifteen corporate culture events were held at the Group's headquarters, with over 26,000 participants.



Music club



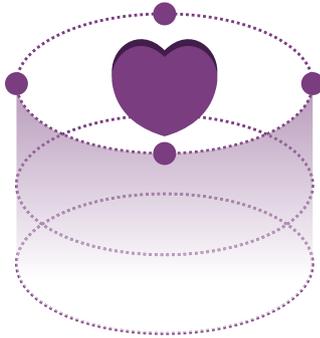
Ma Boyong Reading Club

### Management team training plan

Country Garden constantly tries to care about our employees and create a warm and loving corporate culture. We take care of the needs of particular groups by mobilizing collective help and joining our hands to weather bad times.

### Care about Female Employees

Country Garden is highly concerned with the needs of female employees and strictly abides by the Law of the People's Republic of China on Population and Family Planning and the Special Rules on the Labor Protection of Female Employees, and other laws and regulations. Committed to providing female employees with a thoughtful and considerate working environment, we offer them maternity leave, maternity allowance, and many other benefits following the law to help them better balance work and family.



We set up parking spaces for pregnant employees and baby care rooms, and provide care to female employees in special periods;

We organize health lectures, and provide daily products and "Ladies' meals" exclusively for female employees.

We also celebrate the "Fengchang Goddess Festival". We give female employees gifts and host a series of exclusive activities to enhance their sense of happiness and pride.

### Employee care fund

Country Garden cares about every employee in need and strives to be a strong backbone for employees. We set up an Employee Aid Fund in 2008, funded by the Group, and also, receive employee donations. We use the Fund to help employees and their immediate family members who become impoverished as a result of accidental injuries and serious diseases; In 2020, we invested RMB100 million to set up an Employee Care Fund, to provide employees with financial support for medical care, education, housing and cultural travel, and award heroic behaviors.

#### Key Performance

- As of end of 2022, 834 employees have received RMB16 million granted by the Employee Aid Fund.





## Case

## Caring for Employees in Emergency

Employees of a subsidiary have been employed for 7 years with outstanding performance during their employment, and have been awarded the honorary title of "Outstanding Manager" of the Group. His 10-year-old son suddenly found his walking unsteady in March this year, and was diagnosed as a primary central nervous system tumor by a doctor. The disease is a rare disease, with only 8 cases found in 100 thousand people nationwide. Because the disease required chemotherapy and imported medicines, 0.57 million out-of-pocket medical expenses were incurred in just half a year, which brought enormous pressure on the family's economy. According to the rules of the employee support fund, the employee finally successfully applied for a support fund of 0.3 million.

### Building Corporate Culture

Corporate culture is the cornerstone for long-term development and success, and a key element in bringing employees together and stimulating innovation and vitality. Country Garden is always bound up with building corporate culture, hoping to instill it in every employee and deliver our values. We put more efforts to raise employees' sense of

belonging and recognition, and promote talents cohesion and development. By arranging meet with Senior Executives, the May 4th Cultural Month, cultural events for engineers, the Phoenix Factory Photo Contest and other cultural activities, we bring employees even closer to the Group.



Theme Photography Exhibition



# Beneficent Country Garden Shared Harmony

## Overview

Country Garden actively abides by the national strategy, continues to step up the poverty alleviation efforts, and effectively aligns with rural revitalization. Adhering to the belief of “making the world a better place for having us in it”, Country Garden collaborates with Guoqiang Foundation to focus on rural revitalization and social welfare, contribute to the revitalization of rural infrastructure, industrial development, talent training, ecological civilization, cultural inheritance and other fields, and help build beautiful rural areas.

## Topics Discussed in this Chapter

Sustainable development topics discussed in this chapter:

Talent recruitment and team building

Staff training and development

Employees' health and safety

Employees' rights and care

Equal employment and employee communication

Prohibition of child labor and forced labor

SDGs discussed in this chapter:





## Feature: Deepen East-West Cooperation and Pair up to Help Revitalize Industries

2022 was a key year for comprehensively promoting the rural revitalization.. Country Garden and Guoqiang Foundation continued to further the east-west cooperation, give full play to the strengths of enterprises to pair up and help each other, at once and bring together relevant organizations to vigorously break new ground in terms of rural revitalization.

"The strength of fighting alone for the cause of rural revitalization is restricted, and it is necessary to extensively pool the strength of all social sectors, leverage the strengths of all parties, and build a beautiful and win-win rural revitalization community."

Chen Chong, Chairman of Guoqiang Foundation

### Continue to further east-west cooperation

Country Garden and Guoqiang Foundation took an active part in east-west cooperation and counterpart support, continued to deeply participate in Guangdong's rural revitalization and "Guangdong and Guizhou" and "Guangdong and Guangxi" east-west cooperation, focus on helping Guizhou and Guangxi, explore and advance the "1+5+N" rural revitalization model, and constantly explore new approaches to achieve common prosperity.

### Key Performance

- Phase I construction of Guizhou Taijiang Sturgeon Three-Industry Integration Demonstration Park has been basically completed, and aquaculture tests are currently being carried out.

### Consumption supporting

Consumption supporting links market demand with rich agricultural industries, which not only meets the growing needs of the people for a better life, but also promotes the healthy development of poverty alleviation areas. It is an important means to consolidate and expand the poverty alleviation efforts and effectively aligns with rural revitalization. Country Garden and Guoqiang Foundation cooperated with rural revitalization units in Guangdong Province, Jiangxi Province, Guizhou Province and other places to hold many public welfare agricultural activities to help high-quality agricultural products break into the market and vigorously promote the development of preponderant industries in rural areas. Country Garden gave full play to the advantages of the property community and online platform, links offline stores, drives owners' consumption, and boosts rural revitalization.



Case

## Livestreaming Marketing Opens up New Ideas for Rural Revitalization

As a new online consumption method, "livestreaming marketing" breaks regional restrictions. Country Garden has made the best of it to help sell high-quality agricultural products in Guizhou and Jiangxi, further helping farmers increase their income.

### Guizhou-based goods sales:

On the evening of September 29, 2022, the Guangdong East-West Cooperation "Guizhou Goods into the Community" consumption supporting activity was officially launched at the headquarters of Shunde Country Garden, with the first online live broadcast lasting nearly 3 hours, with nearly 1 million online viewers and a total sale of RMB 2.65 million.



Poster of the Livestreaming Event of "Guizhou-based Goods into the Community"

### Xingguo County's product sales:

Xingguo County's product sales: On November 11, 2022, Country Garden cooperated with the People's Government of Xingguo County in Jiangxi Province to hold a series of activities of "10 million" in Xingguo County to promote industrial transformation and consumption upgrading and the "Xingguo County's product sales" livestreaming event, with Southern Jiangxi navel orange, selenium-rich rice, yellow cakes, Xingguo tea oil, Xingguo fish shredded, honey and other products as key promotional agricultural products, with cumulative sales of more than RMB1.5 million during the event.



Authentic Honey in Remote Mountains of Nankeng Township, Xingguo County

## Supporting Rural Revitalization

2022 was a connecting year for the implementation of the “Fourteenth Five-Year Plan”, and a year of deepening the effective connection between consolidating and expanding the poverty alleviation efforts and rural revitalization. Country

Garden and Guoqiang Foundation explored the “1+5+N” rural revitalization model, benefited rural public utilities with industries, created a blood-making, replicable and sustainable rural revitalization model, and helped build beautiful countryside.



Case

### “Golden Cup” of Guangdong Poverty Alleviation Red Cotton Cup

At the 2022 “Guangdong Poverty Alleviation and Relief Day” activity, Guoqiang Foundation was honored the Award of 2021 “Golden Cup” of Guangdong Poverty Alleviation Red Cotton Cup. Since the first Poverty Alleviation and Relief Day in 2010, Country Garden has participated in the “Guangdong Poverty Alleviation and Relief Day” for 13 years, and has pledged a total of RMB 4.19 billion to continue to support the rural revitalization of Guangdong and its counterpart provinces, and contributed to the comprehensive upgrading of agriculture, comprehensive progress in rural areas and all-round development of farmers.



Donation Ceremony



Guoqiang Foundation Won the 2021 “Guangdong Poverty Alleviation Day” Red Cotton Cup



### Key Performance

- Since the establishment of our business, Country Garden and its founder have donated over RMB 10.5 billion to charitable causes, take part in 5,401 public welfare programs and helped more than 11.42 million people in past few years, and took an active part in the rural revitalization work of 57 counties in 16 provinces across the country.

## Revitalization Through Organization Capacity Building

Organizational capacity building is the “first project” of rural revitalization and a major task for the Party to lead agricultural and rural work in the new era. Country Garden was committed to giving full play to the industrial and managerial advantages, training rural grassroots leaders to help the revitalization of grassroots organizations, while carrying out the joint Party branch building of village enterprises, participating in rural governance work, and empowering villages to drive industrial development.



Case

### Points Supermarket Drove Villagers to Participate in Rural Governance

Country Garden explored the participation of enterprises in rural governance, built rural style civilization points supermarkets in 11 villages, including Qiandongnan Prefecture, Hongguang Village, Taipan Township, Taijiang County, and Nanmeng Village, Langde Town, Leishan County, Guizhou Province. Thanks to the implementation of the point system, we have stimulated the vitality of villagers to actively participate in grassroots governance, activated township rules and people's behaviors, promoted rural autonomy with rule by virtue, and made rural society more stable and orderly.



Villagers Exchanged Daily Necessities from the Points Supermarket



### Key Performance

- We have carried out 118 training sessions in village leaders study classes, trained and helped more than 35,000 county and village leaders, and indirectly covered nearly 300,000 people in need.
- We have paired up with 241 village Party branches and organizations building. We explored 89 organization building positions and key projects.
- We assisted the establishment of 102 rural Party member service teams and carried out more than 500 activities, covering nearly 20,000 people.

## Revitalization Through Industrial Development

Country Garden and Guoqiang Foundation focused on the industry, built a whole industry chain support system, took industrial revitalization as the core, created a "common prosperity model" for rural revitalization, and were committed to becoming China's leading comprehensive solution provider for rural revitalization.

### Key Performance

- We have helped 139 national characteristic industry projects, assisted in increasing the collective economic income of local villages by RMB 32.534 million, and aligned nearly 47,000 rural households.
- As of the Reporting Period, the Group's community-based retail brand "BI YOU XUAN" and farming support brand "ZHEN BI XIANG" have developed more than 1,000 types of agricultural products, with a sales of about RMB 550 million, helping more than 200,000 farmers increase their income.

### Case

#### Cultivate and Develop Characteristic Industries According to Local Conditions

Country Garden and Guoqiang Foundation applied the operation model of "leading enterprise + village collective + farmer". In Baima Village, Jiaoling County, Meizhou City, Guangdong, we coordinated the circulation of standardized land to promote the rotational planting of rice, rape flowers and other ornamental crops on 100 mu of wasteland, so that the rice fields of Baima Village could be ingeniously integrated with landscapes, roads, bridges and houses, so as to create a Baima Agricultural Theme Park with rich content and wonderful elements, transforming the popular attraction into an economic force that promotes the village collective and villagers' income, and perks up the beautiful economy with beautiful villages.



100 Mu of Rice Fields Painting in Baima Village

### Case

#### Industry First, Helping Guangdong Guizhou Find a Better Life

Country Garden and Guoqiang Foundation was deeply involved in the east-west cooperation work of "Guangdong-Guizhou", carried out sturgeon breeding industry assistance in Taijiang, Guizhou, and invested in the construction of Taijiang sturgeon Three-Sector Integration Industrial Park to achieve comprehensive development of aquaculture, caviar processing and sightseeing tourism. In the meanwhile, Bixiang Company, a social enterprise under the Guoqiang Foundation, helped develop caviar, sturgeon dumplings, sturgeon restaurants and other products, broadened sales channels, and promoted the involvement of farmers and helped increase farmers' income.



Taijiang Sturgeon Three-Sector Integration Industrial Park in Guizhou

## Revitalization Through Human Resources Development

In light of the needs of the Group's main business and industrial development, with the goal of local employment and entrepreneurship, Country Garden and Guoqiang Foundation carried out skills and new vocational and new format training suitable for migrant workers. Also, we focused on rural prosperity leaders, deepened the development of the "leading

goose" curriculum, carried out the rural education revitalization principal growth training program, and strengthened the development of local talent teams; cultivated a talent team with outstanding comprehensive quality, empowered rural revitalization with talent revitalization, and injected new impetus into rural revitalization.

### Key Performance

- Cooperate with Tsinghua University to carry out the "Rural Industry Revitalization Leading Goose Training Program":
- As of 2022, it has provided targeted learning services for 70 counties from 15 provinces, and 617,000 people have participated in the learning, covering 164 counties and districts in 27 provinces across the country.
- "Rural Education Revitalization Principal Growth Plan":
- As of 2022, 9 training sessions have been carried out, and nearly 4,500 rural principals and teachers have participated; Rural skilled talents were cultivated and the high-quality special training nationwide was carried out:
- As of 2022, a total of 1,659 training sessions and 160 employment fairs have been held, 107,689 people have participated in the training, and 64,402 people have been promoted to employment

### Case

#### Send Teachers to the Door to Train Rural Craftsmen

The training of rural construction craftsmen was an important measure to improve rural housing construction, promoted the quality of rural craftsmen through training, and effectively ensured the quality and construction safety of rural projects. Guangdong Provincial Department of Housing and Urban-Rural Development, Country Garden and Guoqiang Foundation jointly held the "Provincial Department of Housing and Urban-Rural Development - Lihuang Town Rural Revitalization Talents and Construction Craftsmen Training Course", 31 construction craftsmen from Lihuang Town, Fengshun County, Meizhou City participated in the training, and a total of 28 trainees passed the assessment and obtained completion certificates. After certification, the housing authorities will issue the nationally recognized Guangdong Rural Construction Craftsman Certificate to the trainees. Country Garden assisted in training construction management and construction personnel who meet the requirements of construction projects and serve rural areas, improved the income of rural construction craftsmen, and supported the construction of ecologically livable and beautiful villages in respect of human resources.



Trainees Conducted Hands-on Training in Local Rural Revitalization Projects

**Case**

**Building a childlike harbor activity to care for left-behind children**

Under the guidance of the Youth League and County Committee of Leishan County, Qiandongnan Prefecture, Guizhou Province, the Guizhou Rural Revitalization Project Department launched the "Micro Wish" activity in Tongxin Harbor in Chengnan Community, Longtou Street. The activity was helping more than 30 students to fulfill their wishes and carry out related accompanying activities to help students grow up healthily.



Helping students to fulfill the "Micro Wish"

**Revitalization Through ECO-System Building**

Building an ecological and livable environment is the key to rural revitalization. Country Garden and Guoqiang Foundation have been committed to improving rural style across the country, participating in the construction of beautiful villages in 108 villages including Guangdong and Hainan, carrying out

"three cleanings, three demolition and three rectifications", "toilet revolution", sewage treatment and other infrastructure construction, building rural tourism, introducing homestays, farmhouses and other business formats, helping to build beautiful villages, benefiting 284,300 people.

## Case

### Build the Green and Beautiful Liannan County to Help Ecological Revitalization

Country Garden in Liannan County, Qingyuan, Guangdong, and Guoqiang Foundation helped to upgrade public facilities in Liannan, completed the supporting facilities for the Sanjiangyuan Lingnan ethnic characteristic cultural and tourism corridor for the local Sanjiangyuan Performance square, and implemented ecological corridor beautification on both sides of the Sanjiangyuan, Landscape corridor floor paint, Sanjiangyuan asphalt road and other projects to enhance the landscape effect.



Sanjiangyuan performance square and ecological corridor

#### Revitalization Through Cultural Development

Cultural development is an endogenous driving force for promoting comprehensive rural revitalization. Country Garden and Guoqiang Foundation pay attention to the role of rural culture in promoting rural construction, and hold large-scale cultural activities in rural areas to radiate a new atmosphere of rural civilization.

#### Key Performance

- As of 2022, a total of 12 large-scale rural cultural activities such as rural Spring Festival Gala, square dance competitions and sculpture exhibitions will be held, benefiting 102 villages across the country, with over 12 million online and offline viewers.

## Charity and Social Services

Country Garden is committed to meeting the needs of the people for a better life, actively fulfilling its social responsibilities and devoting itself to public welfare and charity. During the reporting period, Country Garden played a role in volunteer services, education assistance actions, epidemic prevention and control, etc., and applied its high-quality resources to build a harmonious and beautiful society with all sectors of society.

Country Garden, Guoqiang Foundation and Youth Volunteer Action Guidance Center of the Central Youth League jointly launched the "Create a Better Community Program", aligning Country Garden Property to jointly support community organizations and explore a new model of community volunteer service in the new era. In 2022, the Better Community Program entered the second year of the trial stage and is recognized by community residents, volunteers, community properties, governments at all levels and other parties.

## Volunteer Service

2022 was the first year of a new decade for Country Garden Volunteer Service Squad, and since its establishment in 2011, the scale of the volunteer team has been expanding. This year, we carried out 2,087 community volunteer service brand projects, serving 540,000 community residents, driving more than 38,661 residents to become volunteers, and incubating

and forming 226 volunteer service teams. In the meantime, the "Community Volunteer College" was jointly established to carry out systematic training for more than 2,000 community volunteer, grassroots leaders, property staff, etc., and introduce multiple resources to fuel the development of community volunteer services.



Case

### Children Who Accompany the Stars: Parent-Child Volunteer Activities

On June 19, 2022, the parent-child volunteer activity "Accompaniment, Light Up the Lonely Star" was held in the Phoenix Book Bar of Country Garden headquarters. This activity was organized by the Youth League Committee of Country Garden and the Volunteer Association in conjunction with the Guangzhou Heart Friends Service Association for Mental Disabilities, accompanying autistic groups, helping them enhance social interaction to gradually improve themselves and overcome obstacles.



Accompaniment, Light Up the Lonely Star

On top of that, in order to build a public welfare community and interact with and leverage on more social forces, Country Garden, Guoqiang Foundation and other six enterprises jointly launched the "Sturgeon Dream China Guarding the Yangtze River" public welfare project, and carried out 666 Chinese sturgeon breeding and releasing activities in Hubei in May 2022, raising a total of more than RMB 1 million within two months. In order to further promote the protection of ecological diversity, we have also signed a "Biodiversity Protection Cooperation

Plan" with the Yangtze River Fisheries Research Institute. Moreover, in order to fully convey the ecological concept to the next generation and strengthen the understanding and protection of biodiversity among young people, Country Garden and the Central Youth League jointly held a Children Harbor biodiversity science popularization themed activity tailored for 304 Children Harbor project sites in 116 counties in 17 provinces, with a total of more than 5,000 rural children participating.

## Educational AID Programs

Country Garden and Guoqiang Foundation are committed to providing financial aid to students with families in difficulties within its capacity and creating good educational opportunities, setting up special funds for educational aid, establishing non-profit schools, carrying out a variety of training programs, continuing to build brand projects, and promoting the spirit of

modern charity.

As at the end of 2022, a total of RMB50,366,000 of educational aid funds have been invested, benefiting more than 12,500 students with financial difficulties.

## Fruitful educational aid programs

## Types of educational aid

## Major work

## Achievements



To further improve the "funding + empowerment + service" trinity aid system, the second Zhongming Fireworks Program was launched in conjunction with the "Benefit Program" of the Provincial Committee of the Youth League, with a total funding of RMB 300,000, and 37 projects from 26 colleges and universities were selected.

- In 2022, 637 new students with financial difficulties were subsidized, covering universities from Guangdong to the whole country.
- We continued to train 21 college Zhongming volunteer service teams, with more than 690 college students participating, and the project service footprint spread throughout rural Guangdong, benefiting more than 55,208 people.



We established an all-round Shunde educational aid system with the trinity of "fund + service + innovative research", cultivated students to become talents with physical and mental health, diversified development and aspirations, and promoted the balanced development of Shunde education.

- In 2022, 373 students were provided with educational support fund and 432 students were provided with precision material aid.
- In terms of service educational aid, 5,804 activities or courses were held, serving 54,760 students and covering 73 schools.



We jointly launched the "Future Educator Training Program" with Beijing Normal University Education Foundation and China Tao Xingzhi Research Association, and collaborated with BoShiLe to help the construction of talent teams in the basic education stage in the new era. In particular, the program has added education public welfare practice courses to pair rural school principals to help revitalize rural education.

In 2022, due to the impact of COVID-19, the training plan was mainly based on online personalized guidance by mentors, and a total of 58 online activities were held.



The award has been set up in 7 universities across the country, including Peking University, Tsinghua University, Sun Yat-sen University, Lanzhou University, Guizhou University, Zhejiang University, and Jinan University, to reward educators with outstanding contributions from universities, and 44 new award-winning scholars were added in 2022.

- Up to now, 7 universities have donated a total of RMB 186 million, benefiting 421 scholars.
- We set up the "Guoqiang Public Welfare Lecture" to give full play to the power of scholars' role models and inspire students in difficulty. Relying on the outstanding scholar resources of partner universities, six sessions have been held so far, and more than 2,500 students have watched the lectures on-site or online.

Fruitful educational aid programs

Types of educational aid	Major work	Achievements
	<p>In order to make up for the gap in career enlightenment, educational aid from enlightenment to self-innovation, we carried out the Nth type of life of 100 wishes, provided the initial financial aid to ensure the completion of basic studies, empower students' growth and guide their self-development. At the same time, we built a public welfare platform for rural children's service community with resource sharing and joint participation.</p>	<p>We raised RMB 1.24 million from the society, helped 20,000 students with 493,000 participants, and aligned 41 public welfare partners, widely calling on the public, caring enterprises and the media to pay attention to career education.</p>

Covid-19 Pandemic Prevention and Control

In the face of the COVID-19 pandemic, Country Garden and Guoqiang Foundation have fully cooperated with the government's relevant pandemic prevention and control requirements while making an utmost effort in their own pandemic prevention and control work, showcasing enterprises' social responsibility.

**Case** Fighting against the Pandemic Together to Demonstrate Corporate Responsibility

In February 2022, the recurring of the COVID-19 outbreak in Baise City, Guangxi Province repeatedly affected the hearts of people across the country. Country Garden and Guoqiang Foundation acted quickly, and employee volunteers actively participated in supporting the pandemic areas, and prepared pandemic prevention supplies such as isolation masks, goggles, protective clothing, masks, as well as instant noodles, bottled water and other foods for the protection of frontline personnel in the fight against the pandemic.

The community is one of the important battlefields in the pandemic prevention and control war. Due to the close contacts of infected people, Country Garden Jade County was listed as a control area. Country Garden Service urgently launched the pandemic prevention and control work, and more than 80 employees stepped forward to build a strict anti-pandemic defense line for community residents. Also, in order to ensure the supply of residents' "vegetable baskets", Country Garden quickly set up a "supply protection team", established community purchase groups, counted the demand for orders, purchased in a timely manner, divided them by household, and distributed them to the owners' homes in an orderly manner.



Anti-pandemic Supplies Arrived in Baise



Employees Sorted Vegetables for Owners

## Investing in the Community and Community Activities

"Being good to people, and being good to society" is the original conviction of Country Garden and Guoqiang Foundation to hold community activities, and creating a harmonious and happy community for residents is the insistence of Country Garden

and Guoqiang Foundation. Country Garden has enriched the community's ecology by building affordable housing, promoting health campaigns, and carrying out art and cultural activities.

### Building Social Housing

With the urbanization's acceleration and the continuous expansion of the scale of the floating population, the housing difficulties of new citizens and young people such as farmer workers and newly employed college students have become increasingly prominent. As a "practitioner of China's new-type urbanization", Country Garden actively promotes the construction of affordable rental housing nationwide, and prepares for the construction of affordable housing, resettlement housing and talent housing in core cities such as Shenzhen to solve the problem of improving housing for the people and highlights the social value of people's livelihood real estate.

### Key Performance

- As of the end of 2022, Country Garden has launched welfare housing projects in many places, with a total floor area of 12.82 million square meters. The total floor area for the placement housing, social housing and housing for talents respectively added up to 7.22 million square meters, 2.48 million square meters, and 1.21 million square meters.

### Health and Sports

In order to convey the message of living a healthy life to more people, Country Garden and Guoqiang Foundation carried out mass sports such as hiking fitness with the theme of public

welfare, attracted more and more groups to join it, enjoyed the fun brought by sports, lighted up the dreams in the heart with a healthy body, feel and spread positive energy.

### Case

#### Helping Visually Impaired People to Chase Dreams and Making Running More Meaningful

"Country Garden Running Group" is an outdoor health club spontaneously formed by Country Garden employees and owners who love sports. In August 2022, the running group recruited volunteers to carry out public welfare blind running activities to help the visually impaired people "go out and move". Runners and visually impaired people paired up one-on-one, connected each other with a rainbow strap, and ran on the designated route. Volunteers led the visually impaired people through the rainbow ribbons in their hands, guided the way forward with their voices and movements, and transmitted love and energy to each other.



The Scene of "Helping Visually Impaired People to Chase Dreams" Activity

## Art and Culture

Country Garden is dedicated to delivering “high level, kind and warm-hearted” humanistic care to the society, combines art and cultural campaigns with public welfare themes, strengthens art and cultural development, and promotes the high-quality development of public welfare projects.



Case

### “Dream China: Children’s Heart Painting” Public Welfare Painting Activity

On July 27, 2022, the 2022 “Dream China: Children’s Heart Painting” Children’s Harbor Biodiversity Science Popularization Theme Activity co-sponsored by the Communist Youth League “Children’s Heart Harbor” National Project Office, China Guanghua Foundation and Guoqiang Foundation was launched online. Through the popular science education for the protection of the Chinese sturgeon and the Chinese sturgeon painting competition, the excellent painting works of rural children were developed into public welfare products, and more social welfare forces were called on to save endangered Chinese sturgeon, with more than 2,000 people participating online.



Children Were Drawing

## Outlook into 2023

2023 is a beginning year to comprehensively implement the strategies and decisions of the 20th National Congress of the Communist Party of China, and is also a year for Country Garden to work hard and stive unwaveringly. In 2023, Country Garden will continue to stay true to its original aspiration for development, and take the initiative to seize the opportunities and embrace the difficulties. The company will proactively respond to the risks, insist on exploring sustainable development path of the enterprise, and team up with stakeholders to jointly deliver more social value.

In 2023, with a persistence in efficient operation and stable development, we make unremitting efforts to improve the governance of the Company, and strengthen the management and operation efficiency so as to enhance the full-cycle life capacity and promote the high-quality development of the Company; under the concept of customer-oriented and market-guided, we positively explore a new developing mode of real estate, devote ourselves to developing people's property brand with improved housing, and fully participate in the management and construction of affordable housing. In order to speed up the construction of such housing systems as supply by multiple entities, multiple channels of guarantee, and parallel implementation of leasing and purchasing, we make due contributions as a representative in the real estate industry.

In 2023, we will push ahead with the "Carbon peaking and carbon neutrality" strategy and take sustainable development actions in the full business value chain. Moreover, we will also continue to explore the environmental and sustainable development paths, enhance the research and development of green buildings, and assist with the transformation of green industries from the green, intellectual and digital perspectives, to make contributions to achieving the "Carbon peaking and carbon neutrality" goals.

In 2023, as guided by the principles of people-oriented and protecting the rights and interests of the employees, we will strive to smooth the employees' development channels and raise their happiness and satisfactions. We will make joint efforts with the partners to build a responsible supply chain, promote fair competition, and achieve mutual benefits and a win-win situation. Meanwhile, we will take the initiative to conduct public services, fulfill our social responsibility as a corporate citizen, and make due contribution to creating beautiful homes and a harmonious society.

## Appendix I: Honors

Honor	Awarding Institution	Time
<b>Industry</b>		
2021 Hurun China Top 100 Private Enterprises for Sustainable Development (3rd)	Hurun Research Institute	January 2022
2021 Top 30 Best Direct Investment Enterprises in China (Country Garden Venture Capital)	Chinaventure.com.cn	May 2022
2022 Most Popular Venture Capital Institution for Entrepreneurs (Country Garden Venture Capital)	36kr Holdings Inc.	June 2022
Top 100 Private Enterprises in China's Service Industry (4th)	All-China Federation Of Industry And Commerce	September 2022
China's Top 500 Private Enterprises (7th)	All-China Federation Of Industry And Commerce	September 2022
Excellent Enterprise Cases of Digital Transformation of Enterprise Human Resource Management	Enterprise Talent Branch of China Human Resource Development Association	October 2022
2022 Top 50 Real Estate Enterprises by brand value in China	Shanghai E-House Real Estate Research Institute	October 2022
<b>Safety and Quality</b>		
Standardized Safety Production Sites on Construction Project	Construction Safety and Machinery Branch of China Construction Industry Association	January 2022
China Construction Engineering Decoration Award	China Construction Decoration Association	June 2022
China Safety Industry Construction Industry Safety Production Standardized Project	China Safety Industry Association	July 2022
Excellent Enterprise Cases of Digital Transformation of Enterprise Human Resource Management	Enterprise Talent Branch of China Human Resource Development Association	October 2022
Guangxia Prize	Residential Housing Industrialization Promotion Center, Housing and Urban-Rural Construction Department China Real Estate Association	December 2022
Guangdong Provincial Construction Engineering High-Quality Structure Award	Association of Construction Industry of Guangdong Provinc	December 2022
<b>Science</b>		
IF Award of Germany(Country Garden's official direct house purchase platform - Phoenix Cloud)	Organizational Committee of IF Award	May2022
Excellent Application Scenarios of Robots in Construction	Ministry of Industry and Information Technology	June 2022
Intelligent Construction Pilot Project in Guangdong Province (First Batch)	Department of Housing and Urban-Rural Development of Guangdong Province	October 2022
The first batch of intelligent construction new technologies, new products and innovative service examples in Guangdong Province	Department of Housing and Urban-Rural Development of Guangdong Province	October 2022
2022 Smart Construction Benchmarking Project (Country Garden Cost Listing Management System)	CRIC	December 2022

Honor	Awarding Institution	Time
<b>ESG/Social Responsibility</b>		
2022 Golden Eagle Award "Best Venture Capital Institution in Carbon Neutral Industry" (Country Garden Ventures)	Securities Times	June 2022
2022 Forbes China ESG Top 50	Forbes China	September 2022
2022 ESG Best Practice Award in China Venture Capital Institution (Country Garden Venture Capital)	CY Zone	September 2022
Carbon Neutral Innovation Institution of the Year (Country Garden Ventures)	Jiemian.com	November 2022
"Global Example of Green Smart Building "	Global Forum on Human Settlements	December 2022
<b>Public Welfare and Charity</b>		
Best Poverty Reduction Cases in the Global Call for Poverty Reduction Cases	China International Poverty Alleviation Center, World Bank, Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, United Nations World Food Programme, Asian Development Bank	January 2022
2021 Dream Builder Public Welfare Conference Annual Public Welfare Case	Southern Weekly	January 2022
"Come Together Guangdong with Love" 2nd Volunteer Guangdong Charity Night Support Unit	Communist Youth League Guangdong Provincial Committee Guangdong Volunteer Federation	January 2022
The 19th (2022) China Charity List "Annual Model Foundation (Non-public Offering)"	China Philanthropy Times	January 2022
2021 Top 10 of the 100 masters on donation in China	China Philanthropy Research Institute	April 2022
Charity Annual Excellent Project in Foshan	Foshan Media Group	May 2022
2021 Guangdong Poverty Alleviation Red Cotton Cup "Golden Cup" Award	Leading Group for Rural Work of the Guangdong Provincial Committee of the Communist Party of China	June 2022
<b>Others</b>		
National May Fourth Red Banner Youth League Committee	Guangdong Intellectual Property Demonstration Enterprise (Bright Dream)	April 2022
Guangdong Intellectual Property Demonstration Enterprise (Bright Dream)	Guangdong Intellectual Property Protection Association	December 2022

Note: Only some of the honors are listed above

## Appendix II: KPIs on sustainable development

### List of Environment-related Performance Indicators

	ESG indicators	Unit	2022 <sup>(1)</sup>	2021 <sup>(2)</sup>	2020 <sup>(3)</sup>
A1.1 Emission	NOx emissions	kg	262.17	357.38	1,809.55
	SO2 emissions	kg	16.06	12.12	14.61
	Particulate matter emissions	kg	19.30	25.08	126.96
A1.2 Greenhouse Gas Emission and Intensity <sup>(4)</sup>	CO2 equivalent emissions(Scope 1)	tonnes	3,236.52	23,175.91	27,178.98
	CO2 equivalent emissions(Scope 2)	tonnes	111,191.22	465,865.22	449,743.12
	CO2 equivalent emissions(Scope 1 and 2)	tonnes	114,427.74	489,041.13	476,922.10
	CO2 emissions per million RMB of revenue <sup>(5)</sup>	tonnes/million RMB		0.93	1.03
A1.3 Hazardous Waste and density	Waste cartridges and toners	tonnes	59.30	42.72	30.13
	Waste electric devices	tonnes	2.79	9.49	10.39
	Waste battery	tonnes	1.51	6.72	9.54
	Recycled electric devices	tonnes	1.55	5.89	12.46
	Hazardous waste density <sup>(5)</sup>	tonnes/million RMB	0.00015	0.0001	0.0001
A1.4 Non-hazardous Waste	Other office waste	tonnes	458.42	3,179.46	2,497.17
	Kitchen waste <sup>(6)</sup>	tonnes	738.27	1,200.98	3,558.62
	Non-hazardous waste density <sup>(5)</sup>	tonnes/million RMB	0.003	0.01	0.01
A2 Resource Consumption	Office paper consumption(ton)	tonnes	263.01	319.50	553.15
	Methanol	tonnes	123.14	41.65	150.85
	Coal	tonnes	37	271.32	153.49

## List of Environment-related Performance Indicators

	ESG indicators	Unit	2022 <sup>(1)</sup>	2021 <sup>(2)</sup>	2020 <sup>(3)</sup>
A2.1 Energy Consumption and Density	Natural gas	cubic meter	60,255.62	8,981,729.11	9,210,813.70
	Petrol <sup>v</sup>	liter	1,092,402.26	824,560.36	899,774.59
	Diesel	liter	73,857.66	210,980.22	509,916.90
	Liquefied petroleum gas	tonnes	119.78	251.70	2,597.32
	Electricity purchased	kWh	123,255,647.34	394,530,688.04	368,592,154.42
	Electricity purchased (for heating)	GJ	371,804.80	2,146,064.29	1,212,632.83
	Direct energy consumption	GJ	46,719.54	371,826.83	505,429.46
	Indirect energy consumption	GJ	815,312.89	3,565,158.84	2,538,873.33
	Total energy consumption	GJ	862,032.43	3,936,985.67	3,026,527.63
	Energy intensity <sup>(5)</sup>	GJ/million RMB	2.00	7.53	6.58
A2.2 Water Consumption and Intensity	Water consumption	cubic meter	15,576,412.33	17,850,923.21	18,794,724.70
	Water consumption intensity <sup>(5)</sup>	cubic meter/million RMB	36.42	34.13	40.61
A2.5 Packing Material Use	Packing carton consumption	tonnes	33.62	58.73	83.06
	Plastic packing bags	tonnes	8.51	220.40	42.31
	Package use density <sup>(5)</sup>	tonnes/million RMB	0.0001	0.0005	0.0003
A3 Environment and natural resources	A3 Environment and natural resources	kWh	943, 515.00	698,450.84	213,333.00

### Description of environment-related KPIs in 2022:

- (1) The data collection scope of environment related KPIs in 2022 is as follows:

Group headquarters office area, 58 regional company office areas in real estate sector and 3,121 subordinate project companies' office areas, marketing centers and non-outsourcing staff canteens; the office areas of 47 project companies in the hotel sector.

The data collection scope of environment related KPIs in 2021 is as follows:

Group headquarters office area, 73 regional company office areas in real estate sector and 2,123 subordinate project companies' office areas, marketing centers and non-outsourcing staff canteens; the office areas of 13 regional companies in the hotel sector and their subordinate 52 project companies' office areas and operation areas.

- (3) The data collection scope of environment related KPIs in 2020 is as follows:

Group headquarters office area, 113 regional company office areas in real estate sector and 1,883 subordinate project companies' office areas, marketing centers and non-outsourcing staff canteens; the office areas of 16 regional companies in the hotel sector and their subordinate 52 project companies' office areas and operation areas, as well as the office areas and operation areas of the business management company and its subordinate 5 project companies.

- (4) The carbon dioxide (CO<sub>2</sub>) emissions are calculated according to the calculation coefficient and formula suggested by the Environmental Key Performance Indicators Reporting Guidelines, Corporate Greenhouse Gas Accounting and Reporting Guidance for Power Generation Facilities (revised version in 2022), Fifth IPCC Evaluation Report and Greenhouse Gas Accounting and Reporting Guidance for 24 Industries in China issued by the Hong Kong Stock Exchange. Source of power emission factors: The greenhouse gas emission factors of China's mainland power grid refer to the Notice of the Ministry of Ecology and Environment on Management of Corporate Greenhouse Gas Emission Reporting in 2022, and the emission factors of the Hong Kong Special Administrative Region power grid refer to the Environmental Key Performance Indicators Reporting Guidelines issued by the Hong Kong Stock Exchange. The emission factors of power grid in Australia refer to the National Greenhouse Accounts Factors Australian National Greenhouse Accounts 2021 issued by the Department of the Industry, Science, Energy and Resources of the Australian Government. In 2020, the data were adjusted due to the optimization of calculation methods and factors.

The data sources of carbon dioxide (CO<sub>2</sub>) equivalent emissions (scope 1) are the fuel consumption of business vehicles and the fuel consumption of all levels of office areas.

The data sources of carbon dioxide (CO<sub>2</sub>) equivalent emissions (scope 2) are the purchased electricity and purchased heat.

- (5) The greenhouse gas density, power consumption intensity, hazardous and harmless waste density, water consumption intensity and package use density all refer to the consumption amount generated per million RMB in 2022.

## List of Environment-related Performance Indicators

### B1. Employment

#### B1.1 Total workforce by gender, employment type, age group, and geographical region

Employment		2022	
		Number of employees (person)	Percentage (%)
Total number of employees		69,932	100%
By gender	Male	44,215	63.23%
	Female	25,717	36.77%
By age	30 and below	25,392	36.31%
	31-40	35,062	50.14%
	41-50	7,336	10.49%
	51 and above	2,142	3.06%
By rank	Junior employee	53,508	76.51%
	Middle employee	15,960	22.82%
	Middle employee	464	0.66%
By employment type	Full-time	69,932	100%
	Part-time	0	0%
	Others	0	0%
By geographical region	Mainland China	68,945	98.59%
	Hong Kong, Macao and Taiwan	23	0.03%
	Oversea	964	1.38%

## B1.2 Employee turnover rate by gender, age group and geographical region (1)

Employment		2022	
		Number of employees (person)	Percentage (%)
Total number of employees voluntary turnover		1983	100%
Employee voluntary turnover rate (2)		8.46%	
By gender	Male	1300	65.56%
	Female	683	34.44%
By age	30 and below	1029	51.89%
	31-40	793	39.99%
	41-50	147	7.41%
	51 and above	14	0.71%
By rank	Junior employee	1411	71.15%
	Middle employee	511	25.77%
	Middle employee	61	3.08%
By geographical region	Mainland China	1613	81.34%
	Hong Kong, Macao and Taiwan	9	0.45%
	Oversea	361	18.2%

### Notes on employment KPIs:

1. The calculation scope of number of employees turnover is the real estate sector of the Group (including those working overseas).
2. Total employee voluntary turnover rate = number of voluntary turnover in the real estate sector / (total number of employees at the end of the period in the real estate sector + annual turnover in the real estate sector)

## B2 Health and safety

Health and safety		2022	2021	2020
B2.1 Number and rate of work-related fatalities (1)	Number of work-related injuries (person)	3	3	2
	Number of work-related fatalities (person)	0	0	0
B2.2 Number of lost days due to work injury	Lost days due to work injury (days)(1)	452.5	243	818.50

### Notes on health and safety KPIs:

1. The statistical scope of work-related injuries and work-related fatalities is the Group's headquarter, and the statistical scope of lost days due to work injury is the Group's real estate sector. The data are from the data recognized by the local Social Security Bureau. As for employee injury data out of the scope, we are working to improve the statistical methods and will disclose such information in the future.

## B3 Development and training

Development and training		2022
B3.1 The percentage of employees trained by gender and employee category (2)	Total percentage of employees trained (1)	100.00%
	By gender-percentage of male employees trained	63.23%
	By gender-percentage of female employees trained	36.77%
	By employee category -percentage of senior management trained	0.66%
	By employee category-percentage of middle-level management	22.82%
	By employee category-percentage of junior employee	76.51%

## B3 Development and training

### Development and training

2022

B3.2 The average training hours completed per employee by gender and employee category(3)	Average training hours of employees	44.82
	By gender-male employee average training hours	45.21
	By gender-female employee average training hours	44.15
	By employee category-average training hours of senior management	175.33
	By employee category-average training hours of middle management	47.83
	By employee category-average training hours of junior management	42.79
Other employee development and training data	Total number of employees trained (per 10,000 persons)	195.62
	Satisfaction rate of training (point)	97.37

#### Notes on staff development and training KPIs:

1. Percentage of total employees trained = total number of employees trained /total number of employees
2. Percentage of employees trained by gender and employee category = total number of employees trained in that employee category/total number of employees trained
3. The average training hours completed per employee by gender and employee category = the total number of training hours of employees in this category/the total number of employees in this category

## B5 Supplier management

### Geographical Region for Suppliers

2022

2021

	Material suppliers	Engineering suppliers	Total number of suppliers (number)	Percentage (%)	Total number of suppliers (number)	Percentage (%)
Mainland China	6,341	22,553	28,894	87.01%	16,166	74.12%
Hong Kong, Macao and Taiwan	20	363	383	1.15%	391	1.79%
Oversea	887	3043	3, 930	11.83%	5,254	24.09%
Total	7, 248	25,959	33, 207	100%	21,811	100%

## B7 Anti-corruption

Anti-corruption		2022	2021
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	Total number of corruption cases filed or closed	0	0
B7.3 Anti-corruption training provided to directors and employees	Number and percentage of employees taking anti-corruption training	100%	100%
	Number and percentage of Board members and senior executives taking anti-corruption training	100%	100%
	Number and percentage of employees who signed commitments on anti-corruption policies	100%	100%
	Number and percentage of senior executives who signed commitments on anti-corruption	100%	100%

## B8 Community investment

### B8.2 Resources contributed to the focus area Investment in 2022 (per 10,000 RMB)

Social donation	Beijiao Middle School Education Public Welfare Project	3,313
	Support on Education Development Project in Urumqi, Xinjiang	2,500
	Dedicated Project for Rural Revitalization	1,228
	Jointly Projects for Rural Revitalization	1,000
	Guoqiang Science and Technology Fund for Tsinghua University	1,000
	Huiyan Education Scholarship Fund and Guoqiang Severe Children Treatment Fund	1,050
Other Community Investment and Charity Investmen		8932.29
Total (10,000 RMB)		19023.29
Total (100 million RMB)		1.90

## Appendix III: List of Policies, Laws, and Regulations

ESG indicators	Abide by relevant laws and regulations	Internal policies
<p>Category A1: Emissions</p> <p>Category A2: Use of the resource</p> <p>Category A3: The Environmental and Natural Resources</p> <p>Category A4: Climate Change</p>	<p>Civil Code of the People's Republic of China</p> <p>Environmental Protection Law of the People's Republic of China</p> <p>Environmental Impact Assessment Law of the People's Republic of China</p> <p>Water Pollution Prevention and Control Law of the People's Republic of China</p> <p>Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution</p> <p>Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise</p> <p>Regulations of the People's Republic of China on the Prevention of Pollution Damage to the Marine Environment by Land-Sourced Pollutants</p> <p>Directory of National Hazardous Wastes</p> <p>The Work Plan for Greenhouse Gas Emission Control during the 13th Five-Year Plan Period</p> <p>Land Administration Law of the People's Republic of China</p> <p>Regulations on the Implementation of the Land Administration Law of the People's Republic of China</p> <p>Provisional Regulations of the People's Republic of China on Assignment and Transfer of Urban State-owned Land Use Rights</p> <p>Regulations on Environmental Protection Management of Construction Projects</p> <p>Regulations on Planning Environmental Impact Assessment</p> <p>Cultural Relics Protection Law of the People's Republic of China</p> <p>Regulations on the Implementation of Cultural Relics Protection Law of the People's Republic of China</p> <p>Regulations on the Protection of Famous Historical and Cultural Cities, Towns and Villages</p>	<p>Measures for Environmental Protection Management</p> <p>Guidelines for the Application of New Energy Technologies</p> <p>Measures for Renewable Supplier Entry and Appraisal</p> <p>Management Measures of ESG Internal Committee</p> <p>Emergency Plan for Biological Disasters</p> <p>Emergency Plan for Flood Disaster</p> <p>Country Garden Hotel Green Hotel Management Standards</p> <p>Employee Performance Appraisal Measures in 2021</p> <p>Management Measures for Paperless Office of Group Offices</p> <p>Guidelines for Extended Services of Passive Ultra-Low Energy Consumption Building Design (Version V1.0, 2021)</p> <p>Guidelines for Extreme Weather (Typhoon) Warning V.2021</p> <p>Program of Action for the Ecological Development of Forest Cities</p> <p>Gallery of Node Patterns for Ultra-Low Energy Residential Buildings (Version V1.0, Hebei District)</p> <p>Standard Prefabricated Component Building, Structural Design Basic Template (Version V1.0, 2021)</p> <p>Guidelines for Technological Construction Design</p>
<p>Category B1: Employment</p>	<p>Labor Law of the People's Republic of China</p> <p>Labor Contract Law of the People's Republic of China</p> <p>Employment Promotion Law of the People's Republic of China</p> <p>Social Insurance Law of the People's Republic of China</p> <p>Provisions on Minimum Wages</p> <p>Provisions on Prohibition of Child Labor</p> <p>Regulations on Management of Housing Provident Fund</p>	<p>Country Garden Measures for Recruitment Management</p> <p>Country Garden Remuneration Management System</p> <p>New Recruit and Redeployment Management</p> <p>Attendance and Personal Leave Management</p>

ESG indicators	Abide by relevant laws and regulations	Internal policies
Category B1: Employment		Employees Handbook Labor Relations Management Measures for Investigating Employees' Responsibility for Violation of Rules and Regulations
Category B2: Health and Safety	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China 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 Fire Prevention Law of the People's Republic of China Emergency Response Law of the People's Republic of China Regulations on the Report, Investigation and Handling of Production Safety Accidents Interim Provisions on the Investigation and Control of Safety Accidents Regulation on Work-Related Injury Insurance Provisions on the Supervision and Administration of Occupational Health at Work Sites The Administrative Regulations on the Work Safety of Construction Projects Occupational Disease Classification and Catalog	Production Safety Measures and Operating Instruction Measures for Construction Site Safety Redline Management Construction Safety Accidents Emergency Mechanism Novel Coronavirus Pneumonia Control Handbook for Employees Operation and Management System of Country Garden Country Garden Group Safety and Civilization Measures Standardization Manual White Paper on Production Safety Management Atlas of Country Garden Engineering Safety Standardization Country Garden Notice on the Implementation of Unannounced Safety Inspection Notice on the Implementation of the Joint Safety Inspection of Regional Construction Units Country Garden Group Measures for Safety Post Setting and Security Incentives Measures for Punishment of Major Potential Safety Risks of Country Garden Group Projects Country Garden Measures for Incentive Management of Joint Safety Inspection of Regional Construction Units Management Guidelines for Construction Lifting Machinery Guidelines for Safety Management of Foundation Pits Guidelines for Safety Management of Scaffolding Guidelines for Safety Management of Professional Subcontracting

ESG indicators	Abide by relevant laws and regulations	Internal policies
<p>Category B3: Development and Training</p>		<p>Employees Handbook Country Garden Training Management System Tutor-based Management System The Ten Key Qualities of Excellent Talents of Country Garden</p>
<p>Category B4: Labor Standards</p>	<p>Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Provisions on the Prohibition of Using Child Labor Law of the People's Republic of China on the Protection of Minors Law of the People's Republic of China on Population and Family Planning Measures on Public Holidays and National Annual Festivals and Memorial Days Regulation on Paid Annual Leave of Employees Implementation Measures for Paid Annual Leave for Employees of Enterprises Special Rules on the Labor Protection of Female Workers</p>	<p>Commitment on the Payment of Wages for Migrant Workers in Full and on Time Employees Handbook New Recruit and Redeployment Management Labor Relation Management Remuneration Management Country Garden Remuneration Management System Attendance and Personal Leave Management Management Measures for Welfare Subsidies for Real Estate Sector Employees Working in China</p>
<p>Category B5: Supply Chain Management</p>	<p>Civil Code of the People's Republic of China Civil Procedure Law of the People's Republic of China Urban and Rural Planning Law of the People's Republic of China Bidding Law of the People's Republic of China Regulations of the People's Republic of China on the Implementation of the Bidding Law Regulations on the Administration of Survey and Design of Construction Projects Regulations on House Expropriation and Compensation on State-owned Land</p>	<p>Notice on General Contractor Selection Project Bidding Contract Management Measures Project Supplier Evaluation Measures Constructor Post-Evaluation System Detailed Management Rules for Actual Contractors of General Contracting Projects Integrity Cooperation Agreement Entry Threshold for Material Suppliers Notice on the Country Garden Supplier Short-listing Conditions and Standard Recommendation Process Supplier Resources Management Process Supplier Post-Evaluation System Supplier Penalty Mechanism Bidding and Sourcing Center's Internal Regulations on</p>

ESG indicators	Abide by relevant laws and regulations	Internal policies
<p>Category B5: Supply Chain Management</p>		<p>Interactions with Suppliers  Marketing and Packaging Supplier Post-Evaluation Handbook  Notice on the Implementation of the Post-Marketing Material Evaluation Plan  Notification Letter on Strengthening the Quality Control of Materials  Supplier Penalty Mechanism  Regulations for Suspending or Canceling Supplier Qualifications and Supplier Recommendation  Supplier Integrity Cooperation Notice  Renewable Energy Supplier Registration and Appraisal Regulations  Country Garden Management Measures for the Joint Random Inspection of Materials  Management Measures for the Material Quality in the Real Estate Sector</p>
<p>Category B6: Product Responsibility</p>	<p>Civil Code of the People's Republic of China  Civil Procedure Law of the People's Republic of China  Urban and Rural Planning Law of the People's Republic of China  Securities Law of the People's Republic of China  Anti-Unfair Competition Law of the People's Republic of China  Interim Provisions on Banning Commercial Bribery  Anti-Monopoly Law of the People's Republic of China  Law of the People's Republic of China on the Protection of Consumer Rights and Interests  Cybersecurity Law of the People's Republic of China  Patent Law of the People's Republic of China  Copyright Law of the People's Republic of China  Regulation on Computers Software Protection  Advertising Law of the People's Republic of China  Trademark Law of the People's Republic of China  Product Quality Law of the People's Republic of China</p>	<p>Notice on Avoiding Unmatched Products and Eliminating Large-scale Complaints  Reaffirmation of the Implementation of the Pre-sale Policy in Strict Accordance with State Regulations  Guidelines for the Revision of the Public Letter on Integrity of the Sales Center  Guidelines on Sand Table Display of Domestic Property Project  Brand Promotion Regulations  Project Safety Measures  Safety and Civility Measures Standardization Handbook  Pre-sale Customer Risk Screening Guidelines  Pre-sale Customer Risk Screening Form  Project Quality Management Handbook  Intellectual Property Right Handbook  Intellectual Property Right Management Procedure  Intellectual Property Right Protection Procedure  Intellectual Property Right Reward Management Measures  Country Garden Production Safety Management System</p>

ESG indicators

Abide by relevant laws and regulations

Internal policies

ESG indicators	Abide by relevant laws and regulations	Internal policies
<p>Category B6: Product Responsibility</p>	<p>Urban Real Estate Administration Law of the People's Republic of China</p> <p>Construction Law of the People's Republic of China</p> <p>Earthquake Disaster Prevention and Reduction Law of the People's Republic of China</p> <p>Regulation on the Quality Management of Construction Projects</p> <p>Regulation on the Administration of Development and Operation of Urban Real Estate</p> <p>Code for Fire Protection Design of Building GB50016-2014</p> <p>Guiding Opinions of the General Office of the State Council on Vigorously Developing Prefabricated Buildings</p> <p>Standard for Assessment of Prefabricated Building GB/T51129-2017</p> <p>Regulation on Realty Management</p> <p>Regulation on Security Service Management</p> <p>Standard for Acceptance of Construction Quality of Steel Structures GB50205-2001</p> <p>Code for Design of Store Building JGJ48-2014</p> <p>Standard for Urban Residential Area Planning and Design GB50180-93 (2016 Version)</p> <p>Production Safety Law of the People's Republic of China</p> <p>General Data Protection Regulation (GDPR)</p>	<p>Country Garden Handbook for Safe and Civilized Operation Measures</p> <p>Operational Risk Management Measures</p> <p>Country Garden Information Security Management Measures</p> <p>Guidelines on Customer Data Platform and Smart Information Masking and Outbound Platform</p> <p>Material Incoming Acceptance Management System</p> <p>Model First Management Systems</p> <p>Country Garden Group Management Measures for Joint Inspection of Project Regions</p> <p>Country Garden Group Management Measures for Project Patrol and Inspection</p> <p>Country Garden Group Management Measures for Delivery Evaluation</p> <p>Country Garden Management Measures for Geological Exploration</p> <p>Country Garden Management Measures for Optimization of Pile Foundation</p> <p>Guidelines for Customer Contact Service Standards</p> <p>Measures for Full-cycle Customer Risk Management</p> <p>Measures for Handling Customer Complaints</p> <p>Operational Guidelines for Customer Complaint Handling</p> <p>Measures for the Management of Full-cycle Satisfaction</p> <p>Manual on Identification of Fake and Inferior Products</p>
<p>Category B7: Anti-corruption</p>	<p>Company Law of the People's Republic of China</p> <p>Anti-Money Laundering Law of the People's Republic of China</p> <p>Anti-Unfair Competition Law of the People's Republic of China</p> <p>Interim Provisions on Banning Commercial Bribery Criminal Law of the People's Republic of China</p> <p>Criminal Procedure Law of the People's Republic of China</p>	<p>Country Garden Employee Code</p> <p>Country Garden Regulation on Management of Conflict of Interests of Employees</p> <p>Country Garden Regulation on Management of Employee On-Duty Behavior</p> <p>Country Garden Measures for Pursuing Responsibilities for Violations of Regulations and Discipline by Group Employees</p> <p>Country Garden Instruction on Supplier Integrity</p> <p>Country Garden Integrity Agreement</p> <p>Handbook of Management Measures on Content Auditing and Supervision</p> <p>Commitment of Integrity and Self-discipline</p>

## Appendix IV: Index of HKEX ESG Reporting Guide

### ESG Indicators

### Chapter

#### A. Environment

A1: Emissions	General Disclosure Information relating to waste and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a)policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer.	9. Country Garden the Guardian - Green Development
A1.1	The types of emissions and respective emissions data.	Appendix II: KPIs on sustainable development
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and (where appropriate) density (e.g. per unit of production volume, per facility).	Appendix II: KPIs on sustainable development
A1.3	Total hazardous waste produced (in tonnes) and (where appropriate) density (e.g. per unit of production volume, per facility).	Appendix II: KPIs on sustainable development
A1.4	Total non-hazardous waste produced (in tonnes) and (where appropriate) density (e.g. per unit of production volume, per facility).	Appendix II: KPIs on sustainable development
A1.5	Description of emission target (s) set and steps taken to achieve them.	9.3 Green Construction
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	9.4 Green Operation
A2: Use of Resources	General Disclosure Policies on the efficient use of resources (including energy, water, and other rawmaterials).	9. Country Garden the Guardian - Green Development
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	Appendix II: KPIs on sustainable development
A2.2	Water consumption in total and density (e.g. per unit of production volume, per facility).	Appendix II: KPIs on sustainable development

ESG Indicators

Chapter

A. Environment

A2.3	Description of energy use efficiency target(s) and steps taken to achieve them.	9.4 Green Operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	9.4 Green Operation
A2.5	Total packaging materials used for finished products (in tonnes) and (if applicable) with reference to per unit produced.	Appendix II: KPIs on sustainable development
A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources	9. Country Garden the Guardian - Green Development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9.9 Ecological Conservation
A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	9.8 Tackling Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	9.8 Tackling Climate Change

B. Social

Employment and Labour

B1: Employment	General Disclosure Information relating to remuneration, dismissal, recruitment, promotion, working hours, holidays, equal opportunities, diversification, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	10.1.1 Equal Employment
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## B. Social

Employment and Labour		
B1.1	Total number of employees by gender, employment type (for example, full- or parttime) age group and geographical region	Appendix II: KPIs on sustainable development
B1.2	Employee turnover rate by gender, age group, and geographical region.	Appendix II: KPIs on sustainable development
B2: Health and Safety	General Disclosure Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	10.2.2 Occupational Health and Safety
B2.1	Number and rate of work-related fatalities every year for the past three years (including the Reporting Years)	Appendix II: KPIs on sustainable development
B2.2	Lost days due to work injury.	Appendix II: KPIs on sustainable development
B2.3	Descriptions of Occupational health and safety measures adopted, and how they are implemented and monitored.	10.2.2 Occupational Health and Safety
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	10.3 Talent Development as a Priority
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix II: KPIs on sustainable development
B3.2	The average training hours completed per employee by gender and employee category	Appendix II: KPIs on sustainable development

**B. Social**

Employment and Labour

B4: Labour standards	General Disclosure Information relating to preventing child labor and forced labor: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	10.1.1 Equal Employment
B4.1	Measures to review employment practices to avoid child and forced labor.	10.1.1 Equal Employment
B4.2	Steps taken to eliminate such violation practices when discovered.	10.1.1 Equal Employment

Operating Practices

B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	8.4.1 Responsible Supply Chain
B5.1	Number of suppliers by geographical region.	Appendix II: KPIs on sustainable development
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	8.4.1 Responsible Supply Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	8.4.1 Responsible Supply Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	8.4.1 Responsible Supply Chain

## Category B6: Product Responsibility

B6: Product Responsibility	General Disclosure Information relating to health and safety, advertising, labeling, and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	8.1 Craftsmanship 8.3 Devoted Services
B6.1	Percentage of total products sold or shipped subjects 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.	8.3.2 Keep Customer Satisfied
B6.3	Description of practices relating to protecting and protecting intellectual property rights	7.2.5 Intellectual Property Protection
B6.4	Description of quality assurance process and recall procedures	8.1.4 Product Safety Inspection
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	8.3.3 Information Security and Privacy Protection
B7: Anti-corruption	General Disclosure Information relating to bribery, extortion, fraud and money laundry: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	7.2.4 Ethics
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.	Appendix II: KPIs on sustainable development
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.2.4 Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Appendix II: KPIs on sustainable development 7.2.4 Ethics

ESG Indicators

Chapter

Community

<p>B8: Community Investment</p>	<p>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.</p>	<p>11. Beneficent Country Garden; Shared Harmony</p>
<p>B8.1</p>	<p>Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	<p>11. Beneficent Country Garden; Shared Harmony</p>
<p>B8.2</p>	<p>Resources contributed (e.g. money or time) to the focus area.</p>	<p>11. Beneficent Country Garden; Shared Harmony Appendix II: KPIs on sustainable development</p>

## Appendix V: GRI Standards Index—Core Option

Instructions Country Garden Holdings Co. Ltd. reported the information cited in this GRI Content Index with reference to the GRI standards from January 1, 2022, to December 31, 2022.

Use GRI 1 GRI 1: Basic 2021

GRI Standards	Disclosure Items	Locations	Remarks
<b>General Standards</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	3. What is Country Garden?	
	2-2 Entities included in the organization's sustainability reporting	1. About the Report	
	2-3 Reporting period, frequency and contact point	1. About the Report	
	2-4 Restatements of information	N/A	
	2-5 External assurance	N/A	
	2-6 Activities, value chain and other business relationships	3. What is Country Garden?	
	2-7 Employees	Appendix II: KPIs on sustainable development	
	2-8 Workers who are not employees	N/A	
	2-9 Governance structure and composition	7.3.2 Sustainable Development Governance Structure	
	2-10 Nomination and selection of the highest governance body	7.3.2 Sustainable Development Governance Structure	
	2-11 Chair of the highest governance body	7.3.2 Sustainable Development Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	N/A	
	2-13 Delegation of responsibility for managing impacts	N/A	
	2-14 Role of the highest governance body in sustainability reporting	7.3.2 Sustainable Development Governance Structure	
	2-15 Conflicts of interest	N/A	
	2-16 Communication of critical concerns	7.3.4 Communication	
	2-17 Collective knowledge of the highest governance body	N/A	
	2-18 Evaluation of the performance of the highest governance body	N/A	
	2-19 Remuneration policies	N/A	
	2-20 Process to determine remuneration	N/A	
	2-21 Annual total compensation ratio	N/A	
	2-22 Statement on sustainable development strategy	7.3.1 Sustainable Development Orientation	
	2-23 Policy commitments	N/A	
	2-24 Embedding policy commitments	N/A	

GRI Standards	Disclosure Items	Locations	Remarks
<b>General Standards</b>			
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	N/A	
	2-26 Mechanisms for seeking advice and raising concerns	N/A	
	2-27 Compliance with laws and regulations	Appendix III: List of Policies, Laws, and Regulations	
	2-28 Membership associations	N/A	
	2-29 Approach to stakeholder engagement	7.3.4 Communication with Stakeholders	
	2-30 Collective bargaining agreements	N/A	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7.3.5 Strategic Management on Key Issues	
	3-2 List of material topics	7.3.5 Strategic Management on Key Issues	
	3-3 Management of material topics	7.3.5 Strategic Management on Key Issues	
<b>Topic Standard</b>			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	3. What is Country Garden?	
	201-2 Financial implications and other risks and opportunities due to climate change	9.8 Tackling Climate Change	
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	N/A	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	11. Beneficent Country Garden; Shared Harmony	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	N/A	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	N/A	
	205-2 Communication and training about anti-corruption policies and procedures	7.2.4 Ethics	
	205-3 Confirmed incidents of corruption and actions taken	N/A	

GRI Standards	Disclosure Items	Locations	Remarks
<b>General Standards</b>			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Appendix II: KPIs on sustainable development	
	302-2 Energy consumption outside of the organization	N/A	
	302-3 Energy intensity	Appendix II: KPIs on sustainable development	
	302-4 Reduction of energy consumption	9.4.1 Energy Conservation and Efficiency Enhancement	
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Appendix II: KPIs on sustainable development	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Appendix II: KPIs on sustainable development	
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix II: KPIs on sustainable development	
	305-4 GHG emissions intensity	Appendix II: KPIs on sustainable development	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix II: KPIs on sustainable development	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	9.3 Green Construction 9.4.3 Waste Disposal and Recycling	
	306-3 Waste generated	Appendix II: KPIs on sustainable development	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	8.4.1 Responsible Supply Chain	No negative impact occurred during the reporting period
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix II: KPIs on sustainable development	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	10.2.1 Protecting Rights, Interests and Benefits	
	401-3 Parental leave	10.2.1 Protecting Rights, Interests and Benefits	

GRI Standards	Disclosure Items	Locations	Remarks
<b>General Standards</b>			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	10.2.2Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	10.2.2Occupational Health and Safety	
	403-3 Occupational health services	10.2.2Occupational Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	10.2.2Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	10.2.2Occupational Health and Safety	
	403-6 Promote worker's health	10.2.2Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	10.2.2Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	10.2.2Occupational Health and Safety	
	403-9 Work-related injuries	Appendix II: KPIs on sustainable development	
	403-10 Work-related ill health	10.2.2Occupational Health and Safety	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Appendix II: KPIs on sustainable development	
	404-2 Programs for upgrading employee skills and transition assistance programs	10.3.Talent Development as a Priority	
	404-3 Percentage of employees receiving regular performance and career development reviews	10.3.Talent Development as a Priority	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	10.1.2Diversity and Inclusion	
	405-2 Ratio of basic salary and remuneration of women to men	10.1.1Fair recruiting process	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	11.Beneficent Country Garden; Shared Harmony	
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A	

GRI Standards	Disclosure Items	Locations	Remarks
<b>General Standards</b>			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	8.4.1 Responsible Supply Chain	No negative impact occurred during the reporting period
	414-2 Negative social impacts in the supply chain and actions taken	N/A	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	8.1 Craftsmanship N/A	No such violations during the reporting period
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	8.3.1 Responsible Marketing	No such violations during the reporting period
	417-2 Incidents of non-compliance concerning product and service information and labeling	N/A	
	417-3 Incidents of non-compliance concerning marketing communications	N/A	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	No complaints related to infringement of customer privacy or loss of customer data during the reporting period

## Appendix VI: Comments and Feedback

- To report violations of professional ethics by Country Garden employees or business units, please contact the risk control, audit, and supervision center:  
[jtjcb@countrygarden.com.cn](mailto:jtjcb@countrygarden.com.cn)
- For product safety and quality, service quality and sales, please contact the customer relationship management department:  
[400-8919-338](tel:400-8919-338)
- For investor relations, please contact the investor relations department:  
[ir@countrygarden.com.cn](mailto:ir@countrygarden.com.cn)
- For more details about the Guoqiang Foundation, please visit:  
<https://www.guoqiangfoundation.com/>
- For comments on this report, please contact the Environmental, Social and Governance committee:  
[bgycsr@countrygarden.com.cn](mailto:bgycsr@countrygarden.com.cn)
- For more Country Garden Environmental, Social and Governance Report, please visit:  
<https://bgy.com.cn/sustainability.aspx>



