

LONGFOR¹ 龙湖

2020

Sustainability Report

善待
共生
FOR YOU
FOREVER



龙湖集团控股有限公司

LONGFOR GROUP HOLDINGS LIMITED

(于开曼群岛注册成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

Stock Code 股份编号: 960

LONGFOR

Be Kind to Customers

Quality oriented,
with technology empowerment

Be Kind to Environment

Continuous green and
low-carbon development

ESG

Be Kind to Employees

Cultivate better,
grow together

Be Kind to Society

Kindness as the seed,
grow a great future

Commercial Property

天街
Paradise Walk

Rental Housing

冠寓
Goyoo

Smart Service

LONGFOR¹
龙湖智慧服务

Property Development

LONGFOR¹
龙湖

Urbanization Projects

蓝海引擎
BLUE ENGINE

Elderly Care

eVer spring
椿山万树

Housing Agency Service

塘鹅租售

Housing Decoration

塘鹅美装修



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Continuous green and low-carbon development

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Quality oriented, with technology empowerment

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Cultivate better, grow together

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01

ABOUT THE REPORT

The Report presents the content of the environmental, social, governance, and the concept, governance, activities and achievements of Longfor Group's sustainable development, aiming to respond to the stakeholders' expectations. The Board of Directors of the Group has supervised the report to ensure that it contains no false records, misrepresentations, or material omissions. In order to ensure the effectiveness of the ESG risk management and the supervisory control system and promote sustainable development, the management of the Group has enforced the relevant policies and measures.



The Reporting Standards

The Report follows the principles and requirements of the *Environmental, Social and Governance Reporting Guide* set out in Appendix 27 to the *Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (HKEX)*. It was prepared with reference to *SDG Compass*, *GRI Standards* by Global Reporting Initiative (GRI), the *Guide to the Preparation of Corporate Social Responsibility Report of China (CASS – CSR4.0)* by the Chinese Academy of Social Sciences and other relevant Chinese and international standards.

References of Titles

For ease of expression and the convenience of reading, “Longfor Group Holdings Limited” is also referred as “Longfor Group”, “The Group”, “The Company” or “we”. Unless otherwise specified, “Yuan”, “million”, “billion” referred to as “RMB”, “RMB million”, and “RMB billion”.

Reporting Scope

The Report covers the period from 1st January 2020 to 31st December 2020 (hereinafter referred to as “reporting period”). Regarding the Group's businesses including property development, commercial property, rental housing, smart service, housing agency service, and housing decoration, with some historical or current data extension of 2021.

Source of Data

Unless otherwise specified, the Report's information and data come from the official documents, the statistics reports, the financial reports, and the ESG information counted, summarized and reviewed by the Company.

Availability of the Report

The Chinese and English version of the Report are available on the Company's official website (<https://www.longfor.com/en/social/38/>) or the website of the Stock Exchange of Hong Kong. Should there be any inconsistency between Chinese and English version, the Chinese version shall prevail.

CHAIRPERSON'S STATEMENT



Wu Yajun
Chairperson

It has been 28 years since the establishment of Longfor Group in Chongqing in 1993.

Longfor Group always value customers, employees, environment and social welfare. Symbiosis with the environment and win-win with companions has been a part of Longfor's DNA. We firmly believe that, pursuing a slightly higher level, that is, try to overcome the limitations of current technology, management and resources and following slightly higher corporate standards than the national and industry standards and customer expectations is the key for longer and sustainable development.

The ESG progress is the result of persistent practice of the long-term goal of environmental friendliness and social responsibility for more than ten years by tens of thousands of Longfor employees in R&D, engineering, landscape, decoration, supply chain, smart service, legal, public affairs, administrative finance and other departments. Looking back, lots of historical moments are worth remembering.

In 1995, when Longfor was a start-up company with limited technology and funds though, as the first project was made at Jiulong Lake area in Chongqing, the Company still invested capital and manpower to investigate the surface runoff and groundwater around 5km of the lake. The move was to ensure the new source of water from the planned rainwater and sewage diversion project was able to supplement Jiulong Lake and the ecological cycle worked smoothly around it. 26 years on, Jiulong Lake remains glistening today.

In 2000, on the bank of Jiulong Lake, we specially preserved the native erythrina and bamboo forests along the lake to enable egrets living on the north bank of the lake to return to their homes after the completion of the project. We also designed a

biological purification scheme to balance the micro-ecology in the area. 3 years later, when the Xiang-zhanglin villa project near the lake was completed, egrets that left during the construction also flew back to the bamboo forest near the lake to live together with the homeowners.

In 2006, we compiled the standards for energy and water-saving projects in Southwest China under the assignment of the former Ministry of Construction. We also started to build the demonstration project, Youshanjun, Chongqing in the same year.

In 2019, we successfully built the Longfor Gaobeidian Railway City, the world's largest near-zero energy consumption demonstration community. As the core demonstration project on the 23rd International Passive House Conference (IPHC), Longfor Gaobeidian Railway City makes reference to the railway city of Heidelberg, Germany, and adopts the concept of a green smart sponge city and a nearly zero energy consumption building technology system to offer constant temperature, constant humidity, constant oxygen and haze prevention inside the house. It was widely noticed and acknowledged by experts from all over the world.

Pursuing the concept of "Creating Alive Space and Compelling Service", we continuously improve product quality, service experience, customer interaction, and also build the best career stage for our employees.

2020 is a new milestone for Longfor to advocate sustainable development. This year, we established an ESG Committee at the board level and officially set up an organization-wide ESG working group, embedding sustainable development into the top-level structure of the Company. Compared with other companies, we have a higher organizational setting

and proactively double efforts to firmly implement the commitment to products, environment, employees and society. In December, Longfor Group's green financial framework was completed and certificated by Sustainalytics.

Driven by the concept of "for Society", Longfor has been committed to public welfare. Longfor Foundation was officially registered in November 2020. During the COVID-19 outbreak, Longfor donated money and medical supplies worth RMB43 million for the global anti-epidemic actions and halved 67-days rent for shopping mall tenants across the country. Longfor attaches great importance to the investment in education. We have financially supported impoverished students and education for more than 20 consecutive years. Specifically, we established the Longfor Vocational School and cooperated with educational institutions to offer access for students who were eager to study.

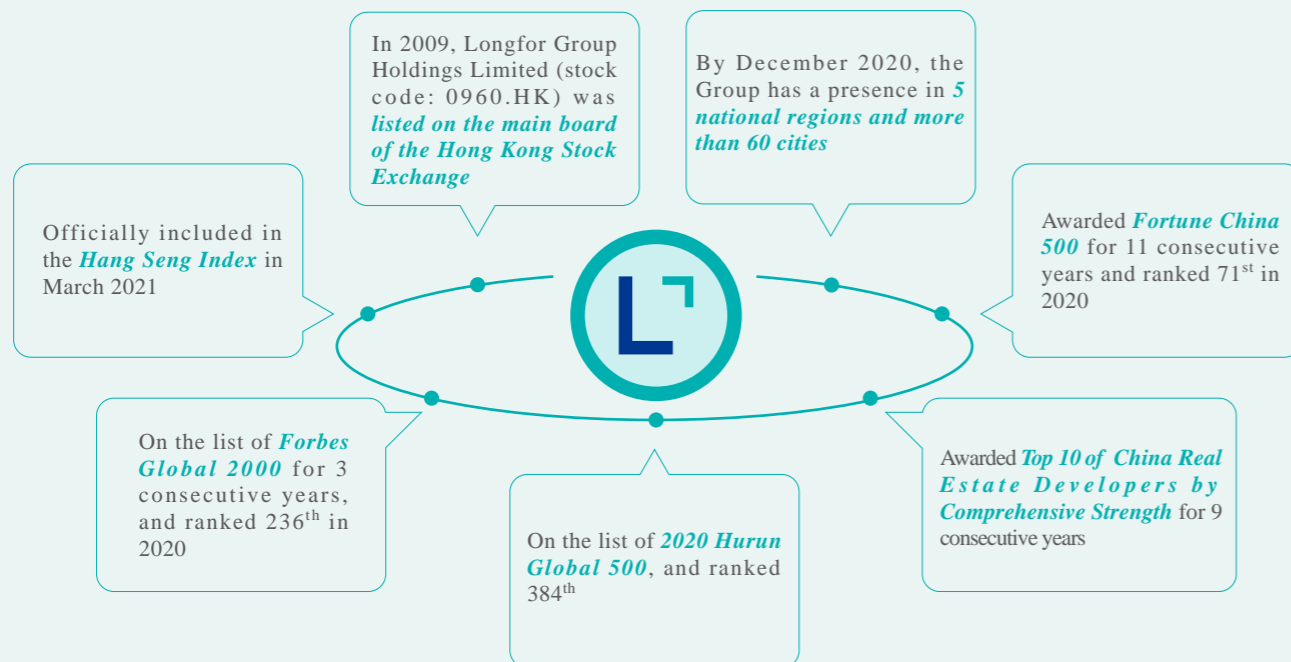
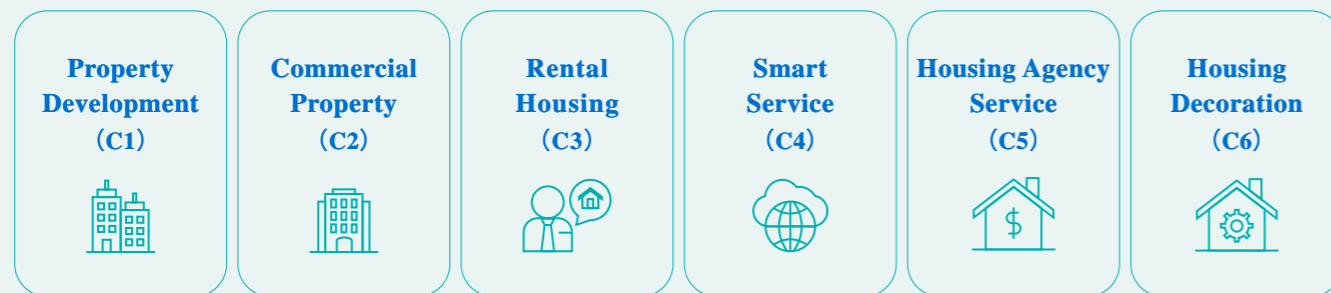
Global green recovery and China's goals of carbon neutrality brought new elements to our slogan "For You Forever". Inspired by the grand strategy of SaaS (Space as a Service), putting ourselves in customers' shoes, driven by technology, Longfor has always been deeply reshaping urban space and services, creating Alive Space and Compelling Service, and spread the concept of sustainable development to all companions. Let all of us work on the vision for you and for all.

02

03

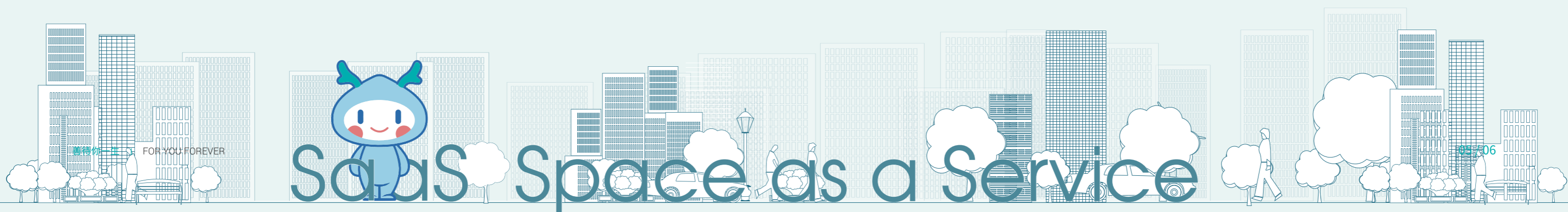
ABOUT US

Longfor Group, founded in Chongqing in 1993, has developed its business nationwide. The company has six core businesses and proactively establishes innovative areas such as elderly care and urbanization projects.



2020

Revenue RMB 184.5 bn +22% yoy	Core Attributable Profit RMB 18.7 bn +20% yoy	Investment Grade S&P: BBB Stable Moody's: Baa2 Stable Fitch: BBB Positive
Total Assets RMB 765.2 bn +17% yoy	Net Assets RMB 192.7 bn +16% yoy	ESG Ratings of MSCI BB
Customer Satisfaction 88%	Total Number of Employees 35,426	Total Number of Partner Suppliers 22,834
Public Welfare Donation RMB 220 mn	Total Number of Volunteers 1,166	Total Time Spent in Volunteer Activities 3,325 hrs
Total GFA of Projects Meeting Green Building Standards 72 mn sqm	Total GFA of New Projects Obtaining Green Building Certificates in 2020 5.73 mn sqm	Launched Pilot Prefabricated Construction in All Core Businesses
Number of Cities Covered by Garbage Classification Projects 25		



Culture and Values



FOR YOU FOREVER

Multi-dimensional Businesses, Balanced Developments



C1

Property
Development

Grow With
Quality

After more than 20 years of development, our property portfolio covers residential buildings, office buildings, high-rise apartments, low-rise and villas, with typical brand series such as the Origin, Glorious Mansion, Xiangti, etc.
In 2020, the contracted sales of Longfor reached RMB270.6 billion with a presence in 63 cities, ranked 11th nationwide.



C2

Commercial
Property

Firm
Engagement

We built one-stop commercial multifunctional shopping centers that provide shopping, catering, leisure, and entertainment for middle-class families, and create a place that delivers happiness to the city.
By the end of 2020, Longfor has 49 shopping malls in operation, under the brand of Paradise Walk, Starry Street and MOCO, with an average occupancy rate of 97%.



C3

Rental
Housing

Get The
Initiative

Based on the Group's comprehensive strength, focusing on the principles of "Quality, Intelligence and Safe", Longfor Goyoo never forgets to take its social responsibility. We will adhere to the policies of "attaching equal importance to leasing and purchase of housing", focus on products and service and help tenants to settle down.
By the end of 2020, Longfor Goyoo has opened 90,000 rooms in more than 30 cities with a service satisfaction rate of 95%.



C4

Smart
Service

Quality First

Longfor Smart Service is from our customers' perspective, it is driven by technology to create the capacity of space and services. We are adhering to the strategy of "SaaS, Space as a Service", practicing the business philosophy of "For You Forever", using digitalized and intellectualized technologies to become a future enterprise connecting space and people. Through in-depth servicing for 23 years, the "Satisfaction and Surprise" has become the most popular label of Longfor Smart Service. With technologies and internet, Longfor Smart Service has achieved the goal of efficient and independent technological innovation.
By the end of 2020, Longfor Smart Service covered 145 cities with a customer satisfaction rate over 90% for 12 consecutive years.



C5

Housing
Agency
Service

Stable
Growth

As the community's value-added services play an essential role in Longfor Smart Service, we started our housing agency service 14 years ago to meet the demand for property preservation and appreciation from property owners. By the end of 2020, we have provided services in more than 30 cities with over 100 stores, providing comfortable and convenient services to our customers with more accurate and effective housing information.

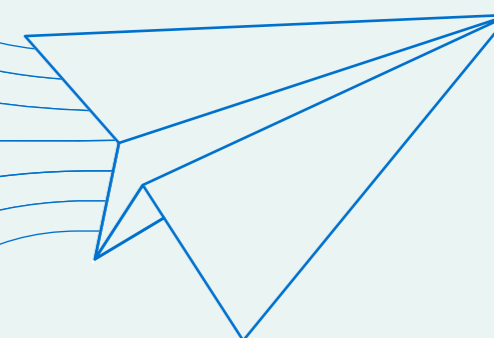
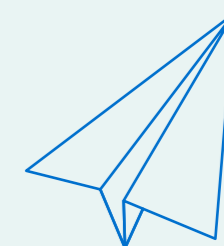


C6

Housing
Decoration

Stable
Growth

With the iterative development of frontier technologies, such as the Internet, the Internet of Things, and digital technology, the housing decoration business provides ready-to-live prefabricated integrated solutions to customers based on an ecological mutual complementarity mechanism and meets the needs of Longfor's internal multi-channel business scenarios.



2020 Awards and Honors



Forbes's Global Top 2,000 public companies, ascending 100+ places for two years in a row



Fortune China 500



Top 100 Most Valuable Chinese Brands, BrandZ™



Top 10 Real Estate Developers in China by Comprehensive Strength, China Real Estate Association



Top 50 Commercial Real Estate Developers in China by Comprehensive Strength, China Real Estate Industry Association



Goyoo was No. 1 Centralized Long-rental Apartment Brand by 2020 (10th) China Brand Power Index SM, CHINABRAND



Top 500 Property Management Companies, China Property Management Research Institution



Guangzhou Longfor Mansion Phase I won "Guangsha Award", Chinese Real Estate Industry Association and Ministry of Housing and Urban-Rural Development of PRC



Chongqing Longfor Landscape won Gold Medal in China Civil Engineering Zhan Tianyou Outstanding Residential District



Shanghai Minhang Paradise Walk obtained the Gold certification of WELL Core & Shell, INTERNATIONAL WELL BUILDING INSTITUTE

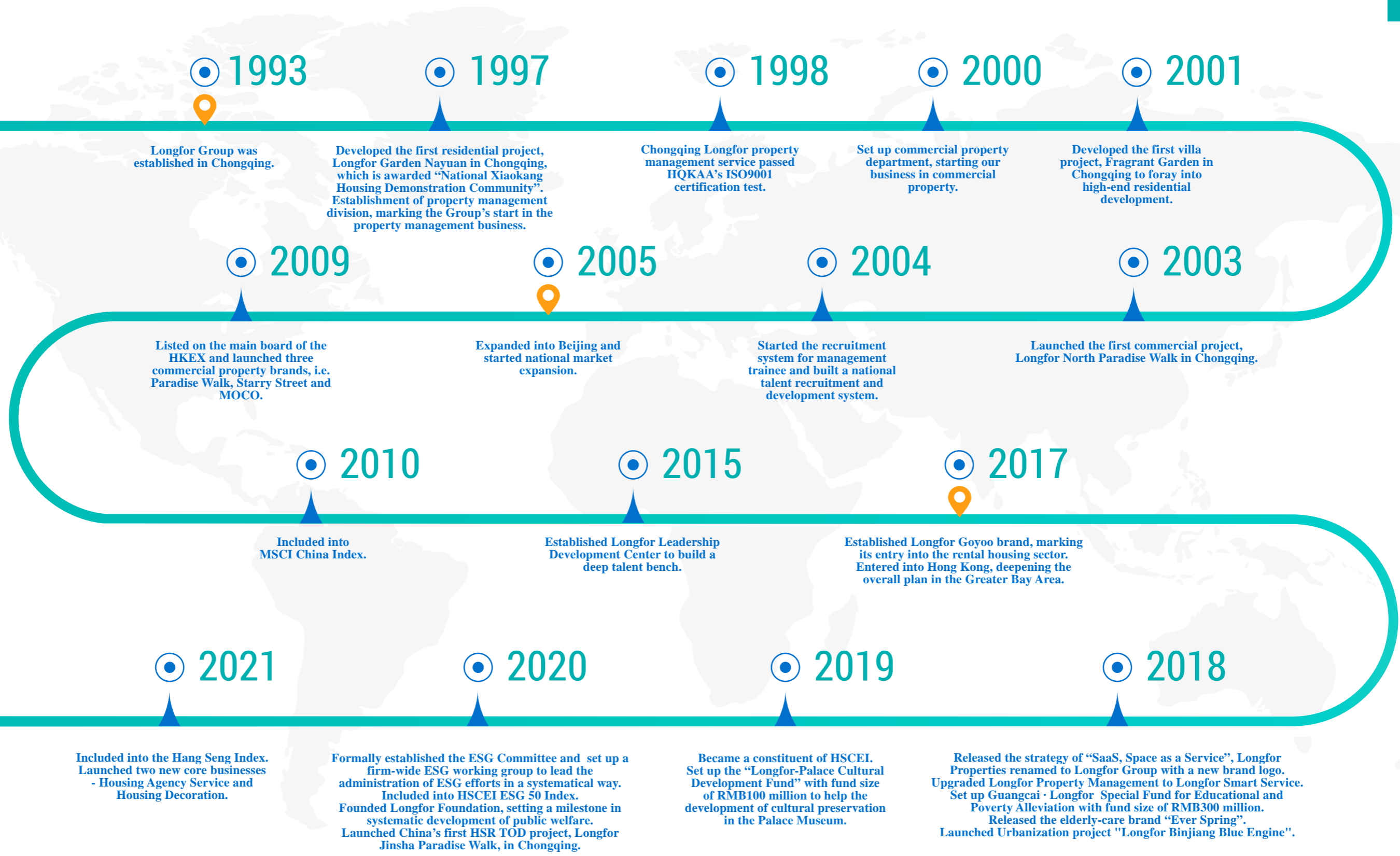


Most Attractive Graduate Chinese Real Estate Employer Brands to Work For, China Real Estate Association



Best Managed Companies in China, Deloitte

Key Development Milestones



COMMUNICATION WITH STAKEHOLDERS



In the process of promoting sustainable development, the Group attaches great importance to communication with stakeholders, constantly improves various communication mechanisms, actively listens to their voices, understands their concerns, and collects and organizes feedback from them in a timely manner. The Group takes measures to meet the reasonable expectations and demands of stakeholders, and hopes to grow together with them.

Communication Strategy

Major Stakeholders	Key Concerns	Major Communication Channels	Major Responses
Government	<ul style="list-style-type: none"> Legal compliance Pay taxes according to law Support the development of economy 	<ul style="list-style-type: none"> Governmental conference Cooperation Government staff monitoring 	<ul style="list-style-type: none"> Respond to government policies Implement the national housing policy Operating according to laws and regulations Fostering urban development
Shareholders and Investors	<ul style="list-style-type: none"> Investment returns and growth Reinforce information disclosure 	<ul style="list-style-type: none"> Shareholders' meetings Reports and company announcements Investor relations activities 	<ul style="list-style-type: none"> Continuously achieving operating results Improve corporate governance and risk management Release reports regularly to disclose information in a timely manner Hold shareholders' meeting and strengthen investor relationship
Customers	<ul style="list-style-type: none"> Product quality improving Customer needs satisfaction Excellent management service 	<ul style="list-style-type: none"> Customer satisfaction questionnaire Customer relationship management Customer communication 	<ul style="list-style-type: none"> Refinement operation of customer service processes Strengthen safety and quality inspection Continuously improve the quality of product and service
Employees	<ul style="list-style-type: none"> Protection of rights and interests Fair remuneration and benefits Favorable working environment Personal professional development 	<ul style="list-style-type: none"> Employee trainings Engagement research and analysis Employee suggestion and feedback mechanism 	<ul style="list-style-type: none"> Safeguard employees' rights and interests Pay attention to employee benefits and remuneration management Create comfortable and harmonious corporate culture Improve employees' sense of belonging and satisfaction
Cooperative Partners	<ul style="list-style-type: none"> Obey the law Adhering to business ethics Establish long-term cooperative relationship 	<ul style="list-style-type: none"> Project cooperation and negotiation Evaluation and investigation Daily business communication visits 	<ul style="list-style-type: none"> Strict compliance with contract requirements Increasing credibility Strengthening qualification review Expansion of business fields and continuous cooperation
Community	<ul style="list-style-type: none"> Promote community economic development Pay attention to people's livelihood Support social welfare 	<ul style="list-style-type: none"> Participate in community activities Regular communication with community representatives Media communication 	<ul style="list-style-type: none"> Participate in community construction Take an active part in social welfare and charity Advocate employees to volunteer
Environment	<ul style="list-style-type: none"> Effective use of resources Emission reduction Protect ecosystem Biodiversity conservation 	<ul style="list-style-type: none"> Paying attention to environmental protection Environmental project cooperation Social group cooperation 	<ul style="list-style-type: none"> Advocate the design and application of Green Building Energy saving and emission reduction by applying new environmental protection technology Create a green environment for office and promote healthy living

Materiality Analysis

1. Identification of relevant issues

The evaluation collects ESG issues covering four aspects, namely environmental, labor, operation and community. Such issues were identified through a wide range of data sources, including the Hong Kong Stock Exchange ESG Reporting Guide, company policies and management strategies, industry benchmarking and ESG rating system analysis.

2. Research and analysis on the degree of concern

We conducted a questionnaire survey, and invited stakeholders including ordinary employees, suppliers, customers, investors, government agencies, regulatory authorities, community representatives, cooperative partners, non-governmental organizations and media to evaluate the materiality of each issue from their own perspectives.

3. Analysis of operational impact

By analyzing the annual operational focus of the Group, we collected opinions from the management to evaluate the materiality of the issues to the Group from the Group's perspective.

4. Determination of the priority of issues.

According to the materiality of issues to each stakeholder and to the Group, the issues are sorted by materiality and disclosed in a matrix. The materiality matrix will serve as an important reference for the formulation, goal setting and continuous information disclosure of the Group's ESG strategy in the future.

According to our stakeholders' survey in 2020, the results of Longfor Group's ESG material issues are as follows. In the future, we will continue to carry out the identification and analysis of the material issues, to support the sustainable development management and information disclosure of the Group.

2020 Longfor Group ESG Materiality Matrix



CORPORATE GOVERNANCE

Governance and compliance improvement

In the course of business development, the Group keeps evaluating the risks and condition of business operation, and correspondingly improves the level of corporate governance. To effectively guarantee its healthy and long-term development, the Group has established a stable development system by building an efficient and transparent governance structure, establishing an effective risk management system and internal control system, complying with the development of the environment both internally and externally, sticking to the bottom line of compliance, and creating an incorruptible culture.

05

ESG topics:

Legal and compliant operation
Anti-corruption

SDGs topics:



5.1 Governance Structure

The effective corporate governance structure is the fundamental part of developing the business in a long-term and stable way. It is also the top-level guarantee to promote the sustainable development of the company. We attach great importance to the transparency and accountability of the governance, commit to improving the company's management to a better level, achieving better performance, and promoting the Group's brand by the more effective corporate governance.

The Board of Directors is responsible for guiding the Company, supervising the businesses, strategies, and performance of the Group. The Board of Directors is also responsible for consolidating corporate

governance, including formulating and reviewing the corporate governance policies and rules, reviewing and supervising the training and development of Directors and senior managers, and ensuring that the Company complies with laws, regulations and the regulatory requirements. Different committees have been set up under the Board of Directors to assist the Board of Directors in performing the governance and supervising responsibilities above. For more details of the Board of Directors' responsibilities, please refer to the *2020 Longfor Group Annual Report* chapter "Corporate Governance Report".



In 2020, the Board of Directors have reviewed the principles of conduct, risk management, and the internal supervising system of the Group. The relevant training was assessed and prepared for the directors and senior management and the Board of Directors reviewed the compliance with *Appendix 14 of Statutory Listing Rules*. The Board of Directors is satisfied with the effectiveness of the Company's corporate governance policies.

5.2 Sustainability Management

In August 2020, the Group set up ESG Committee at board level, established the ESG governance structure with clear authority, hierarchical management, and report on a regular basis. The members of the ESG Committee are appointed by the Board of Directors, and Mr. Chan Chi On, Derek, independent non-executive director, is the chairman of the committee. Other members include the chairperson and two independent non-executive directors, which fully ensure the balance and effectiveness of the decision-making process.

The ESG Committee is the decision-making body, whose primary duties include making and reviewing the ESG strategic direction of the Group, evaluating the ESG risks and opportunities, reviewing ESG performance, and so forth.

Under the ESG Committee, the Group sets up a group-wide ESG working group to systematically manage the work and ensure the execution of policies and measures. Thereafter, Longfor built the strategic structure by forming the ESG management into the highest level of the Company.

So far, the ESG committee has convened 2 meetings and held 2 ESG related trainings.



Following the guidance of the ESG Committee, Longfor formulated and issued *Longfor Group Environmental Management Policy*, *Longfor Group Human Rights Policy*, *Longfor Group Supplier Code of Conduct*, and other sustainable development policies in 2020. The ESG Committee is in charge of reviewing Longfor Group's sustainable development policies, and the ESG working group is responsible for the implementation of those policies. All businesses and departments execute the

policies combined with actual situation to promote the sustainable development strategy in a more effective way.

Thanks to its prominent performance in environmental protection, social responsibility, and corporate governance, Longfor Group was selected as one of 50 constituents of the HSCEI ESG Index in August 2020, and its ESG rating was upgraded to BB by MSCI in September 2020.

The Group has been committed to pursuing the concept of Green Finance, developing green building and participating in the construction of Sponge City and Smart City positively.

In 2017, we got approval from the National Development and Reform Commission and issued 3 tranches of green bonds with total offering size of RMB4.04 billion. The money raised were used to develop the new Chongqing Longfor Lijia project and Shanghai Hongqiao Business District Phase I No.5 plot.

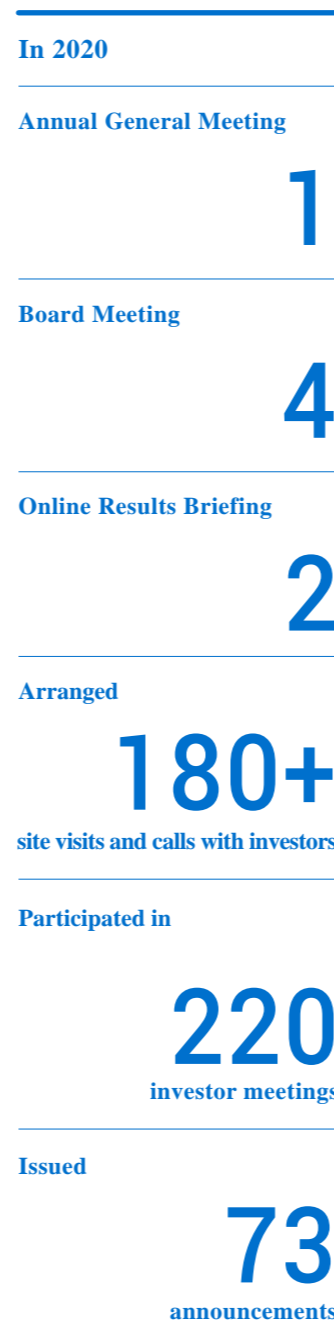
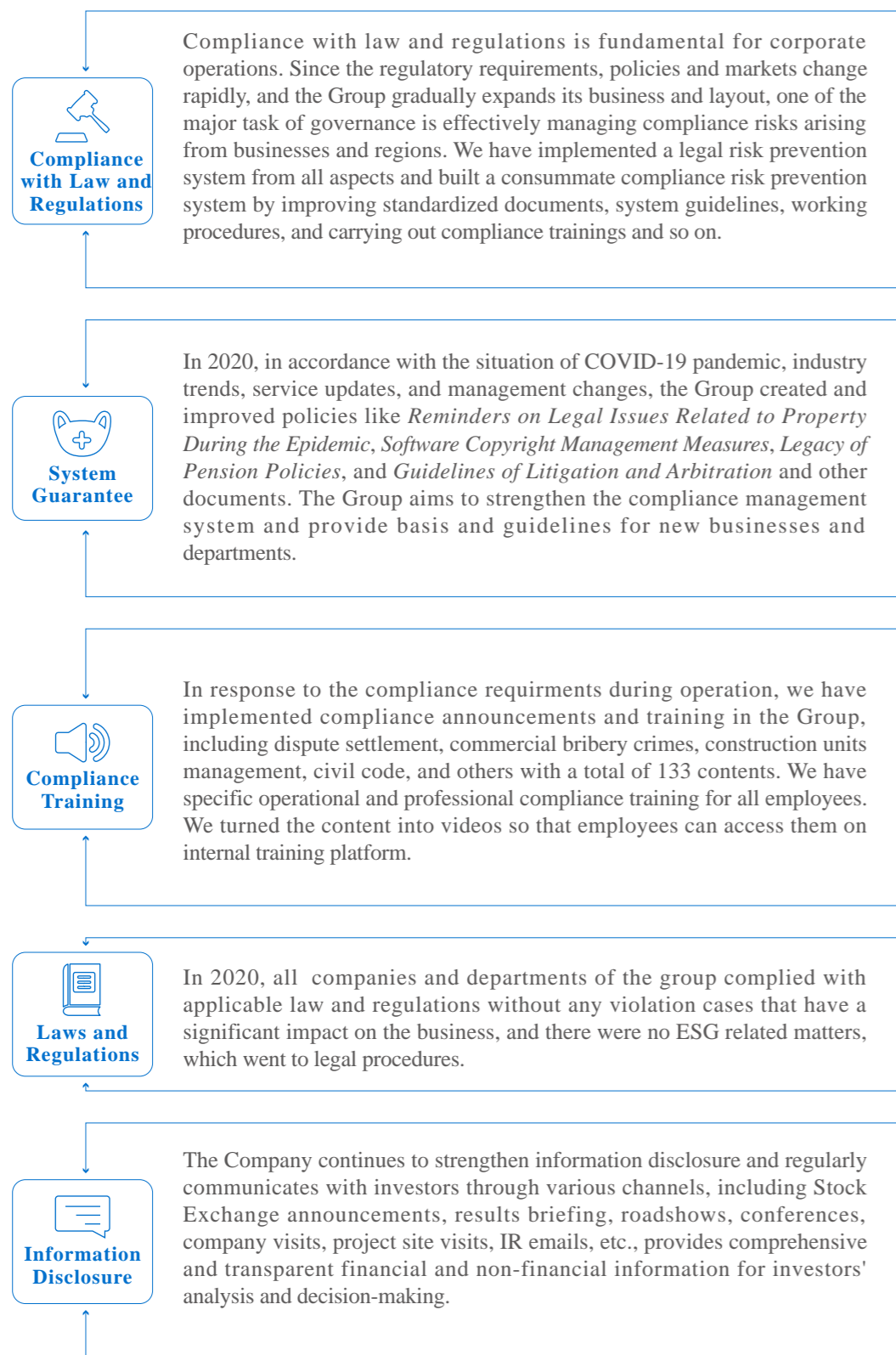
In December 2020, the Group established a green finance framework and obtained the qualified certification from the third party, Sustainalytics, which helps the Group to issue green bonds in the future. All funds raised will be strictly used for financing and refinancing qualified green projects in the future. The distribution of the funds will be disclosed in the annual Sustainability Report. The Group has established a special working group which focuses on the development and preparation for passing relevant certifications of Green Building projects, promoting the development and management of green projects systematically.



Evaluation date	December 1, 2020
Issuer Location	Beijing, China

We also actively participated in the first RMB Green Deposit for enterprises launched by BOCHK to support projects like green buildings, renewable resources, pollution prevention industries, and the like, to promote the transformation of the economy in accordance with low-carbon, climate change adaptation, and sustainable development.

5.3 Compliance Management

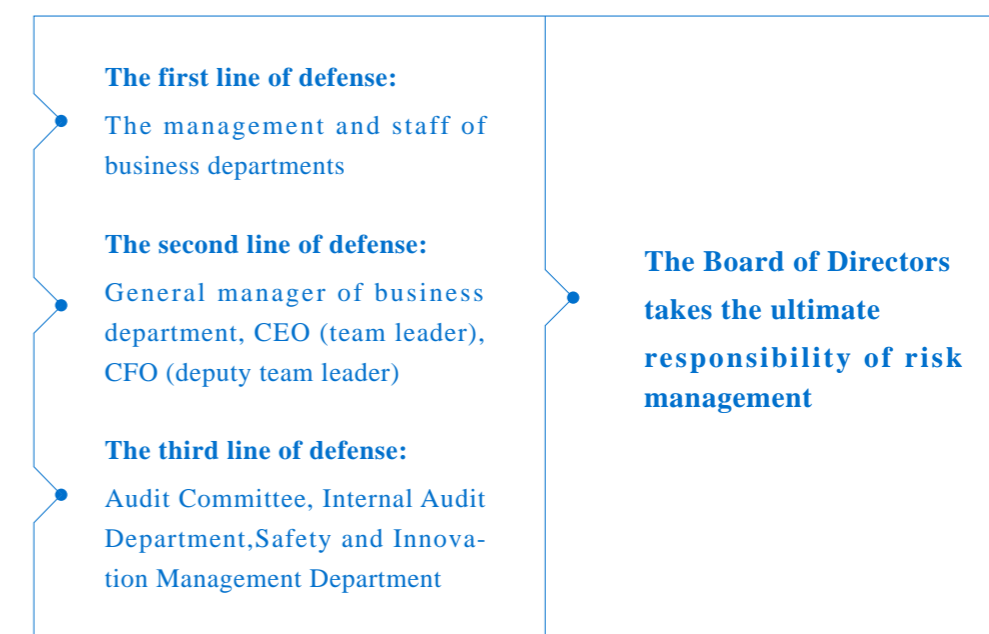


5.4 Risk Management

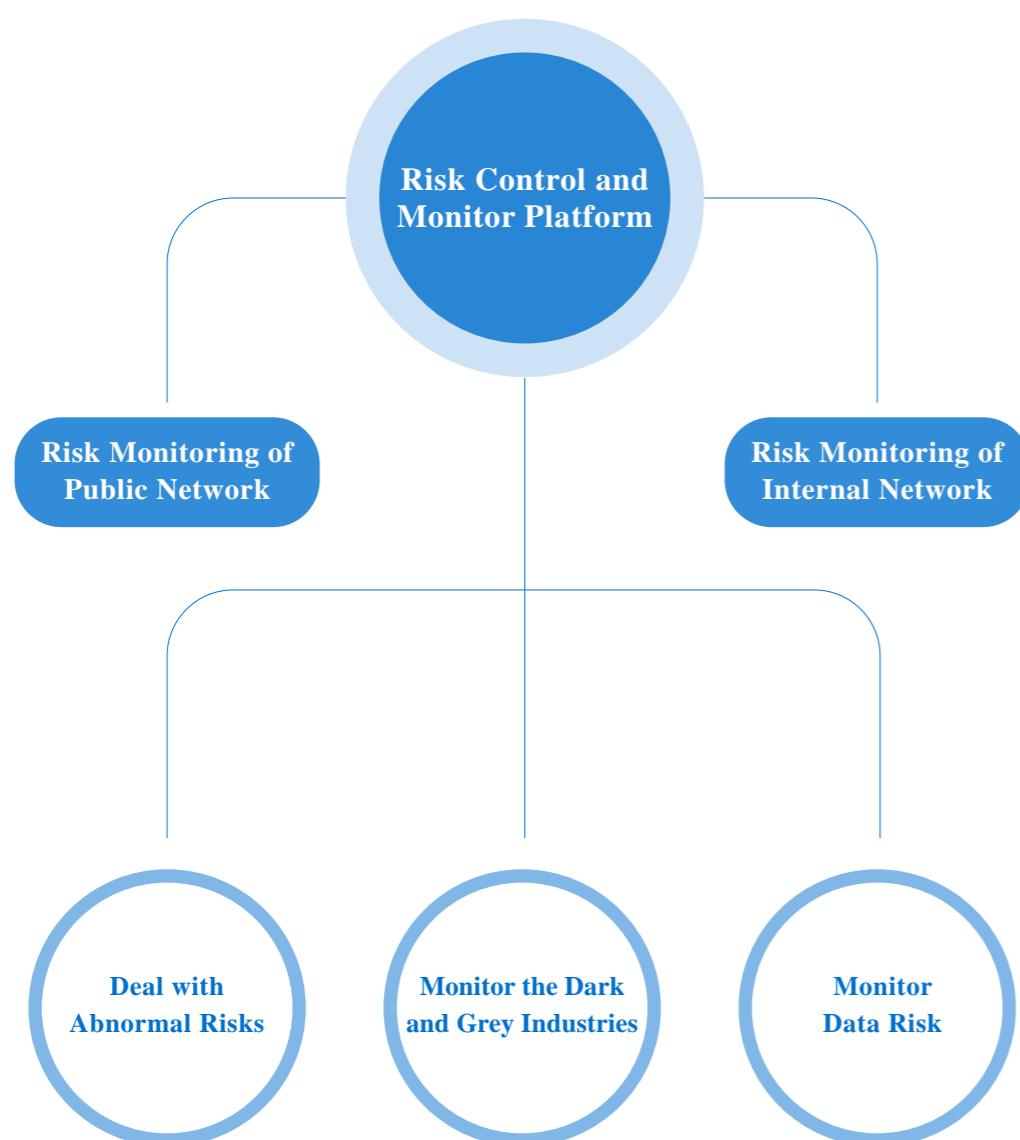
Effective risk management is a fundamental and necessary part of reaching company strategic goals. The Group complies with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, Hong Kong's *Companies Ordinance*, *Securities and Futures Ordinance*, *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd.*, and other relevant laws, regulations, and industry regulatory rules. Meanwhile, the Group formulated the *Longfor Group Risk Management Polities System* with reference to the internationally accepted *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), to improve the risk management organizational system and its responsibilities, the development of the whole process of risk management, the risk assessment methods, the regular risk reporting system, and to continuously strengthen the construction of the risk management and internal compliance system.

Risk Management System

The risk management system of the Group built three basic lines of defenses under the leadership of the Board of Directors. The first line of defense is composed of employees and managers of each business department. The second line of defense is the risk management team, composed of the head of each business department, with the CEO as the team leader, and the CFO as the deputy leader. The Audit Committee, Internal Audit Department, and Safety and Innovation Management Department work as the third line of defense. The Board of Directors takes the ultimate responsibility for risk management, guiding and making final decisions on the risk management policies and response options.



The Group accelerates the digital revolution of risk management and rapidly adapts to the risk control requirements. We established a risk control and monitor platform in 2020, to create the completed risk control and monitor system for the Group, start risk monitoring for both public and internal network, and deal with abnormalities that contain data and security risks. We also focused on monitoring the dark and grey industries during the process of corporate development.



The Group's audit risk control platform, Queping System, upgraded to version 2.0 in 2020 to strengthen the internal risk control management system.

In 2020, Queping System version 2.0

applying in

4 scenarios

14 models of risk alert system

We attach great importance in arranging regular activities to keep the awareness of risk control

40 short stories posted internally

11 training sessions

Risk control and alert warning modules are further optimized, and the self-inspection situation in regional companies can be checked and tracked at any time.

Enhancing employees' awareness of risk control and creating a risk compliance environment.

Queping System Version 2.0 added new modules to upgrade the internal control function

Training module: Established online platform for relevant employees to study internal risk control and management at any time.

Operation module of Internal Audit: Support internal audit activities from conducting to recording, improving the efficiency and quality of internal audits during the process.

Self-inspection module of Internal Audit: Support the self-inspection function in different departments and regions, and continuously promote the building of two lines of defenses for risk management and control.

In 2020, the Group completed the annual risk confirmation and evaluation, covering all business departments

22 audit activities

160+ audit findings

rectification completion rate around

100%

Continuously updating and iterating the rules, procedures, methods and tools of high-risk project management and other related protective mechanism.

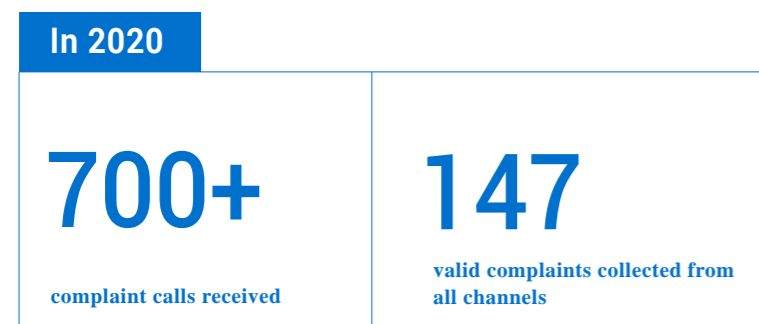
5.5 Business Ethics

The Group strictly abides by the laws and policies of *Anti-Money Laundering Law of the People's Republic of China*, *Law of the People's Republic of China Against Unfair Competition*, *Prevention of Bribery Ordinance*, and other local and national policies and regulations on anti-corruption, integrity, and business ethics. The Group formulated the *Code of Longfor Business Conduct*, which prohibits soliciting or accepting inappropriate commercial interests, improper use and appropriation of corporate properties as well as disregard of conflict of interests. The Group provides channels for reporting potential misconducts as well. All employees of the Group's controlling and non-controlling subsidiaries shall comply with the principles formulated by the management, and report and solve conflict of interests through the reporting system.

We have raised the awareness of employees at all levels on anti-corruption and anti-money laundering through online and offline training and examinations, as well as embedding related contents into the process after employee probation. All employees of the Group have to learn the *Code of Longfor Business Conduct* through the online training platform and pass the corresponding examination with full marks.

In 2020, we introduced new channels to learn business ethics. Employees could watch animated video courses and take examinations on the platform by using their mobile phones as well as personal computers.

The Group has launched multiple channels, such as official website, telephone and email to receive complaints and reports of anti-corruption. Upon receipt, the complaint will be put on file and investigations will be conducted immediately. The Group strictly implemented whistle-blower protection, avoided information leakage, and formulated the 2020 version of *Whistle-blower Protection System*.



In 2020, in order to deal with public reports and complaints effectively, we established a classification standard and punishment system on the clues collected, and educated our employees by investigating all cases.

In 2020

Around

34,000

employees participated in the business code of conduct training and examinations

Around

100%

pass rate

In 2020, there was no risk of systemic corruption in the Group.

Contact us:

Email: ljjb@longfor.com

Tip-off hotline: 400-604-0988

Tip-off Website: <http://www.longfor.com/contact/36/1/>



06

BE KIND TO CUSTOMERS

Quality oriented,
with technology empowerment

While steadily advancing the 6 core businesses, the Group actively explores innovative industries such as elderly care and urbanization projects. The Group promotes the digitalization processes and has formed a "balanced multi-dimensional businesses with digital base" product and service structure.

We have always been adhering to the concept of "provide alive space and compelling service" and continuously optimizing product quality, service experience, customer interaction, etc., to provide customers a relieved service.

ESG topics:

Engineering quality and safety
Customer information and privacy protection
Service quality and customer satisfaction
Technological innovation

SDGs topics:



6.1 Premium Quality

Sound Quality Management System

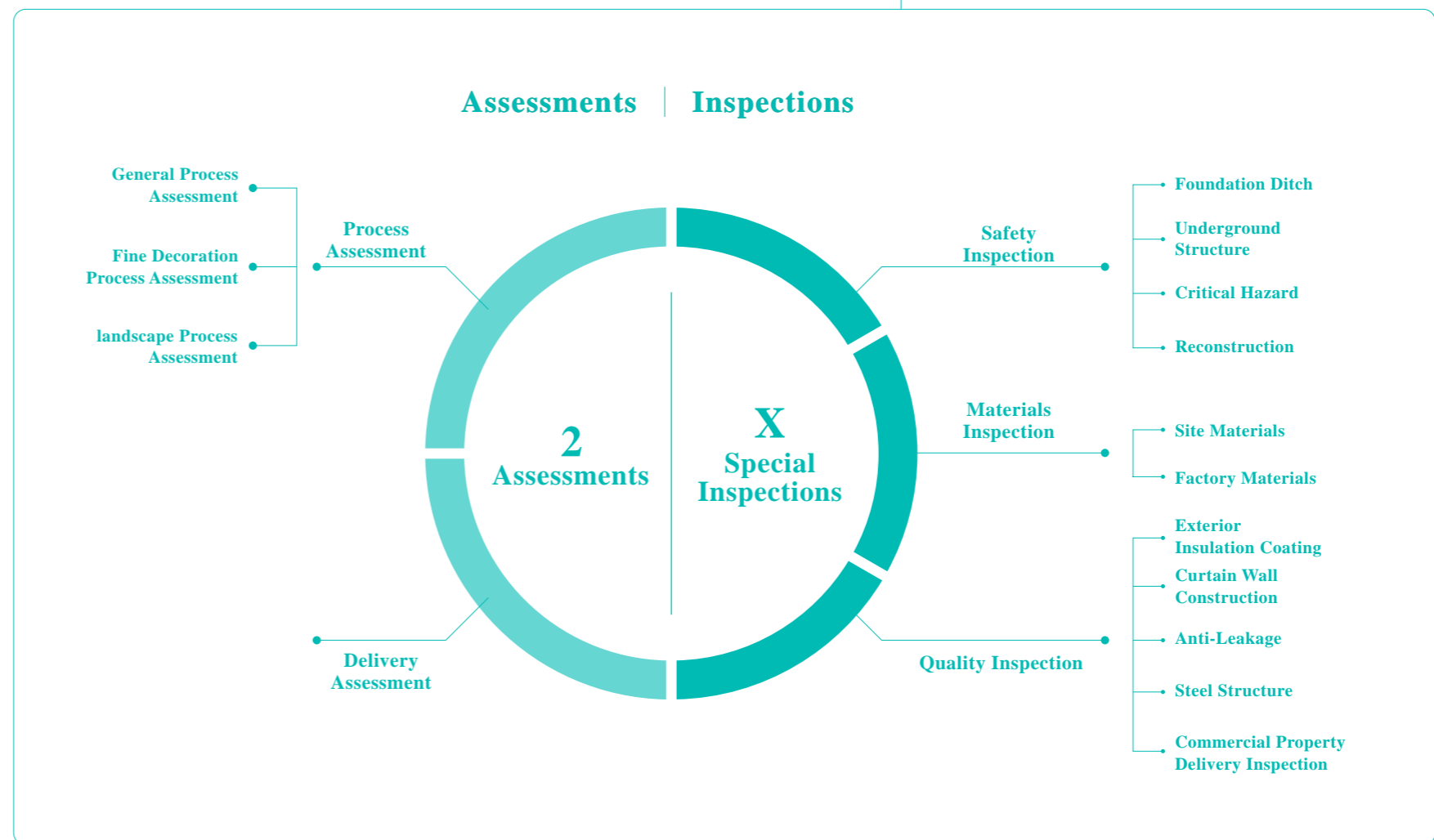
The Group has conducted businesses in strict accordance with the *Product Quality Law of the People's Republic of China*, *Construction Law of the People's Republic of China*, *Regulation on the Quality Management of Construction Projects*, *Unified Standards for Construction Quality Acceptance of Building Projects* (GB50300-2013) and other relevant laws, regulations, and standards and developed internal rules based on business characteristics, which includes *Longfor Group Engineering Quality Management System*, *Longfor Group Completion and Delivery Project Rework Management System*, *Longfor Group Property Separate Inspection Management System*, *Longfor Group Concrete Quality Management Regulations*, *Longfor Group Engineering Quality Key Management Action List*, etc. The Group has established a complete quality management system.

Clear Division of Responsibilities

The Group has defined responsibilities of departments mainly responsible for product such as the Engineering Management Department, as well as the division of duties between regional departments and supervision units, to achieve the overall high-quality and stable delivery of products, and stick to Longfor's quality management goals of "keeping the bottom line" and "high satisfaction". Besides, Longfor has implemented third-party inspections of projects and revised *Third-Party Inspection Management System of Engineering Projects* and *Third-Party Inspection Reward and Penalty Rules of Group Engineering Projects* to further prevent systematic quality issues in the future.

"2+X" Assessment and Inspection System

The Group has established a "2+X" evaluation and inspection system. It conducted a general survey of projects through process assessment, and identified quality defects as well as safety vulnerabilities through special inspections. Then, the Group will coordinate rectification to eliminate hidden dangers to implement the Group's safety, quality, planning, technology, and engineering management system requirements and related rules, which can ensure the project quality and safety.



▲ Main content of "2+X" evaluation and inspection system

In 2021, we fully upgraded our quality assessment and inspection system and incorporated special inspection into process assessment. The Group will continue to take "high satisfaction" and "keeping the bottom line" as the core to carry out our work.

6.2 Excellent Experience

The Group attaches great importance to the excellent experience of customers. From the perspective of urban functions, we have insight into customer needs and strive to become a “space-based urban life service provider”, and let the customers enjoy the "Satisfaction + Surprise" service of Longfor.

Complete Service System

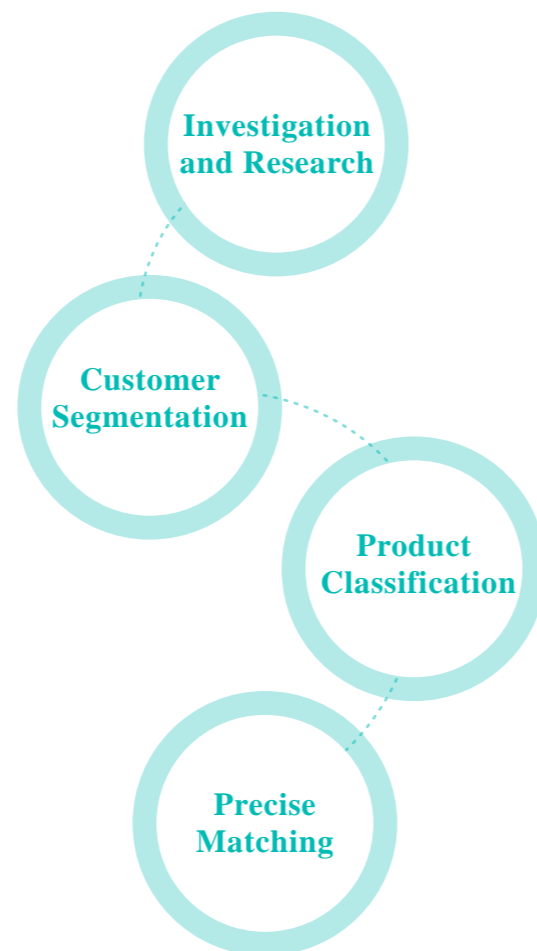
We developed the *Guidelines for Conducting Customer Interviews, Management Measures for Delivery and Appraisal, Work Standards for Graded Services*, etc. To address the diverse needs of customers, we launched five service systems, namely, Longzhiming, Zunxiang, Lexiang, Huixiang, and Shangxie for different property types and customer groups and kept upgrading them for customers to enjoy services in conformaty with the price.

At the early stage of project development, the Group would conduct customer investigations based on different features of products and services, and segment them into subgroups. We would identify the core needs and concerns of customers and provide products and services that accurately match their needs.

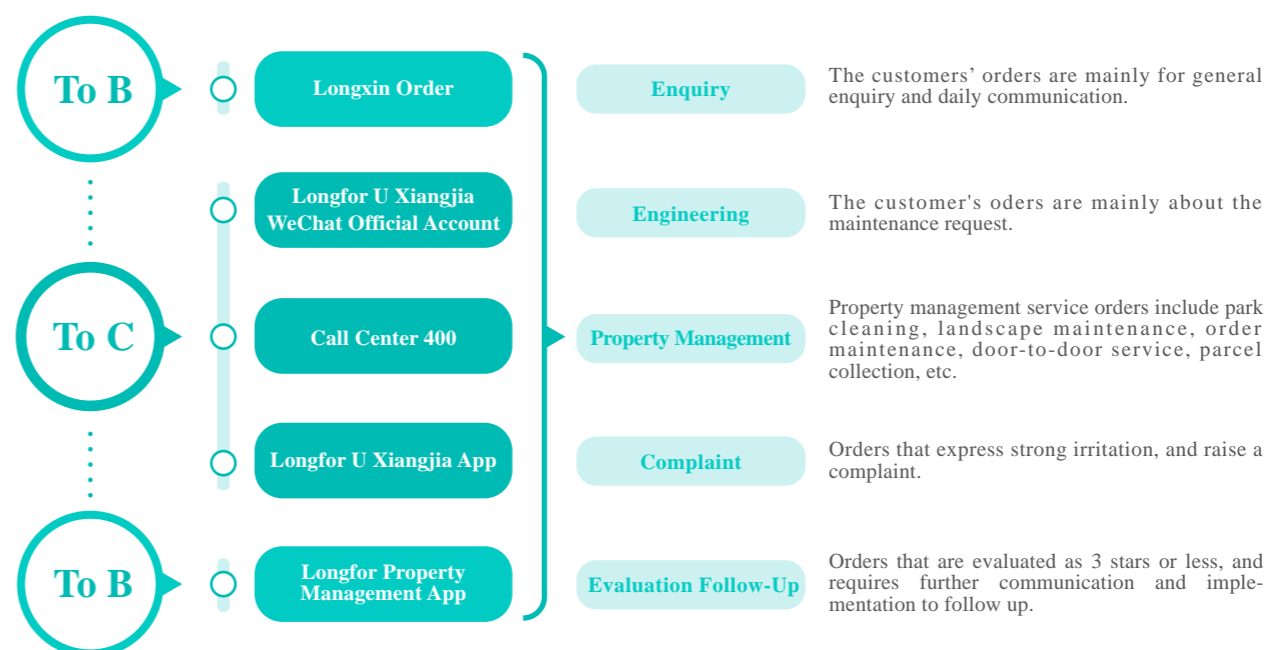
Since July 2019, the Group has established a customer demand database. Through customer research, market research and procurement data

150,000

records in total from all 3 categories, including personal information, market information, and buying preference, have been received



To understand customers' needs promptly and improve the efficiency and convenience of services, we have established various feedback methods for customers' consultation, communication and review (To C), as well as internal information processing system (To B) based on customer demand to maximize smoothing the interactions with customers. At the same time, we are able to build a more complete service system with stronger analytical capabilities through digitalization..



LONGFOR¹ 龙湖

In 2020, the Group established the complete service chain capabilities of consultation, reporting, and evaluation, which empowered multiple channels and functions.

Reform the customer relationship business from product and mechanism, and improve human efficiency by 130%.

Develop data-driven businesses and establish a digital business control and early warning system.



Integrated Call Centre 400

The Integrated Call Centre 400 is a platform of the Group to provide daily report and consultation services for customers. It is a national service platform that integrates internal and external calling systems, online customer service systems, data operation, risk alert system, and analytic system. The operation team includes specialists who have rich experience in training, data analytics, knowledge base management, system management, and business process management. 200 customer service representatives who have many years of experience in property management are also in the operation team. They provide customers with the entire process of exclusive consulting services.



U Xiangjia APP released the function of "online customer service"

"Longfor U Xiangjia APP" released the function of online customer service to provide more efficient, accurate and convenient customer services. Users can access online customer service at any time through APPs on mobile phones and tablets. Online customer service provides 7*24 hours of on-call service, covering essential services such as business, procedure and government consultation. It also includes value-added services such as customer pre-sales consultation, after-sales service, and household encyclopedia. By the end of 2020, online customer service has been launched nationwide.



Service Diversification

Longfor Paradise Walk, Instance Access to Happiness

Longfor Commercial Properties has always adhered to the strategy of "Space as a Service", and committed to providing consumers with "alive space, compelling service, and borderless innovation" to create an intimate and experiential social space. By taking consumer demand as a core, the Group continues to empower space, links a wider range of consumers and higher-quality brands, and becomes the happy land in more and more cities.

In the past 20 years, Longfor has created three major commercial product brands with the main brand of "Paradise Walk", and has formed grid layout in high-tier cities.

	<p>Brand of regional shopping center targeting at middle-income emerging families</p>
	<p>Brand of community shopping center</p>
	<p>Brand of middle-to-high level home furnishing shopping center</p>



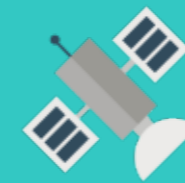
▶ Longfor Paradise Walk launched Aerospace Science Exhibition to encourage aerospace dream



In September 2020, "the Travels of the Galaxy-China Aerospace Science Interactive Exhibition" was held in the East District of Longfor Changying Paradise Walk in Beijing. This large-scale scientific interactive exhibition was the first collaboration between Longfor commercial and China Aerospace - Shenzhou Media. The exhibition brought a large amount of rich content about China's aerospace development history and technology achievements.

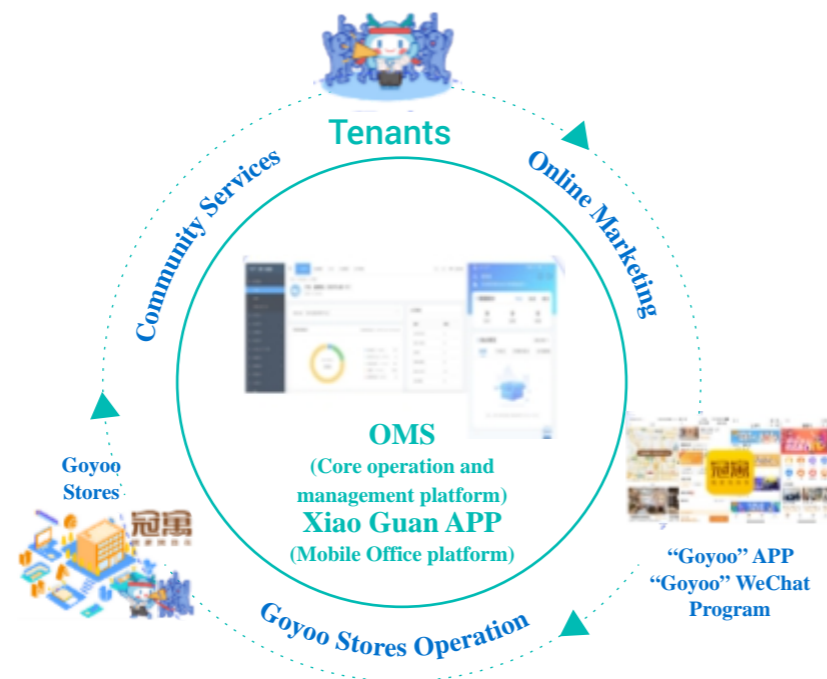
The exhibition combined various exhibition forms such as physical properties, interactive environment, technologies, and trendy factors, covering the five core specialized pavilions and three major space scenes exhibition with visual and educational highlights. The display utilizes technologies such as VR, Auto stereoscopic 3D, and Ball Theater to inform audience in an interesting way.

In the future, Longfor commercial will promote Paradise Walk with science-related activities to have a more profound emotional link with consumers.



Longfor Goyoo, Makes a Better Rental Life

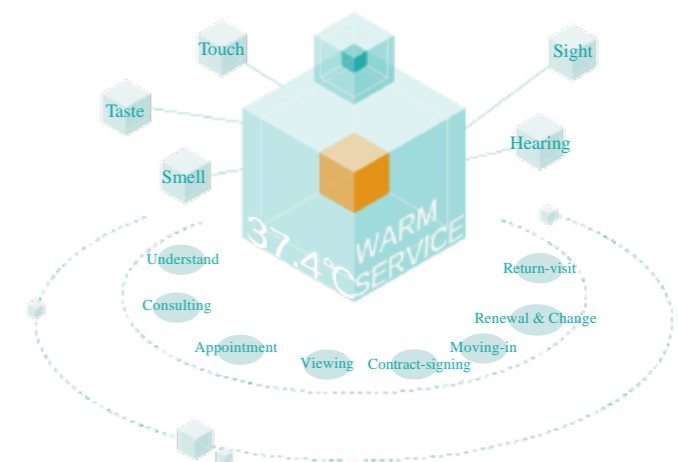
Longfor Goyoo adheres to the brand's origin of "comfortable living". The products and services are the priority of Longfor Goyoo, and we are committed to creating living experience of "comfortable, safe, fashionable, convenient and social" with the mission of creating warm and bright nodes for urban youth and making a better rental life. Meanwhile, Longfor Goyoo has focused on improving digitalization and O2O operation capabilities, continuously improving the user experience.



► Longfor Goyoo's warm services

Longfor Goyoo is trying to provide 37.4°C standardized services which are surrounded by five senses (sight, hearing, smell, taste and touch) in order to create community linkages with warmth and emotions.

- (1) Sight: Real housing pictures, warm-hearted stories, and cultural stories in community.
- (2) Hearing: Holiday greetings, birthday wishes, background music, and neighborhood interactive communication.
- (3) Smell: Aseptic check-in, irregular insecticides, and daily disinfection during the COVID-19.
- (4) Touch: Welcome letter, presents and welcome party.
- (5) Taste: Tea sets of four seasons, taste of Goyoo.



► Longfor Goyoo Beijing Guanzhuang Branch Won the 16th "Elite Award"

The Ministry of Science of Technology China and the National Office of Science and Technology Awards approve the "Elite Award". It is an essential part of the Science and Technology Award established by the authority, and is also the highest award for the living and urban construction industry nationally.

With the advanced design, great appearance and excellent quality, Longfor Goyoo Beijing Yayuncun Guanzhuang branch won the 16th "Elite Award" and "Long-term Rental Apartment Entire Decoration Recognition Award". Longfor Goyoo is highly recognized and praised by its high-quality across the industry.



Longfor Smart Service, Providing "Satisfaction + Surprise" Service

With in-depth service experience in property management service for 23 years, Longfor is widely recognized by its customers for its high quality service of "Satisfaction + Surprise". Driven by technology, including the Internet of Things, Big Data, Cloud Computing, and other technology, Longfor Smart Service provides a safer, more comfortable, convenient, modern, and intelligent living environment.

So far, Longfor Smart Service has been certified by the ISO9001:2015 quality management system, ISO14001:2015 environmental management system and ISO45001:2018 occupational health and safety management system.

Smart Operation

Property Management App (Basic services and value-added services, digital signage)
Smart video / CRM / order platform / operations of service providers / panoramic operation program / smart customer service / fee collection management

Smart Life

Longfor U Xiangjia App and WeChat program (self-service)
Community value-added services (Gannet Housing Agency, Long Long Dian Jing, Renovation Master, Tianluo Housekeeping, Yugong Housing Moving Service, Longyan Shopping, and Tuan Tuan Traveling)
Smart reception (housing delivery, certification, access control, decoration)



Smart Brain

Operational insights / data cube / business intelligence analysis / MDM master data management / digital user profile

Smart Space

Facility & equipment management system / elevator cloud energy management / parking cloud building equipment remote control system / elevator black box

By providing **4 smart systems and 20+ smart products**, Longfor Smart Service focus on improving every detail of life quality. Insisting "Ingenuity Perseverance + Technical Support", we provide clients with smarter, higher-quality services and better lifestyles.

Longfor Smart Service Established Qingfeng Community

In order to establish information disclosure channels, create participatory community governance atmosphere, and improve brand image, Longfor Smart Service takes active measures to build Qingfeng Community marked by openness, transparency, interaction, and win-win relationships, responding to the call for providing "transparent property management services" of local governments.

"Qingfeng Community" was founded to enhance the connection between the property owners, the company, and the government. Its advantages are as follows:

- (1) Establish information disclosure channels – Set up transparent online communication channels for property owners, property managers and owners' committee to let the property owners know better about the work done by the committee and managers.
- (2) Create a participatory community governance atmosphere - Make sure that property owners participate in the decision-making of community affairs. Protect the right to know and supervise of the owners to enhance their trust in the property manager, and improve their participation in community governance.

By establishing the Qingfeng Community, the Group could promote the development of the community, improve operational efficiency, convey our corporate value of integrity to the government, and build a positive brand image.



In mid-November, 2020, the trial version of "Qingfeng Community" of Longfor Smart Service was launched on U Xiangjiang APP. Now the service has covered 13 regions, including Beijing, Chongqing, Chengdu, Xi'an, and 16 projects.

Overall satisfaction rate

90%

Currently, Longfor's Smart Service has been extended to various business formats, providing intelligent and warm services for broader urban space.



● **Transportation Hub**

At Chongqing West Railway Station, we provide thoughtful guidance, standard epidemic prevention, and operate an intelligent central control platform to lend helping hands in the city. In Hangzhou East Railway Station, empowered by science and technology, more than 3,000 equipment monitoring and collection points are used to ensure the safe operation of facilities and equipment.

● **Aviation Property Management**

We provide comprehensive logistics support at the China Eastern Airlines logistics base in Wuxi, including the office and living spaces such as the locomotive building, complex, attendance building, airport office zone, flight preparation room, VIP room, staff restaurant, guest room, etc., with care and professionalism in details.

● **Hospital Logistics**

We are deeply engaged in hospital rear service by providing comprehensive clinical support services. By the end of the reporting period, we have provided professional property services to more than 30 hospitals, including Chongqing Youyou Baby Women and Children's Hospital, Zhejiang Provincial People's Hospital, Hangzhou First municipal People's Hospital, Zhejiang Cancer Hospital, etc.

● **Public Construction Service**

We provide full services for the Hainan Provincial Emergency Management Department to ensure the smooth operation of logistics. In addition, we also provide services for public construction parties such as Chongqing Fire Brigade, Chongqing Surveying and Mapping Center, Chongqing Liangjiang New District Management Committee, Inner Mongolia Fire and Rescue Corps, Mudanjiang Fire Rescue Detachment, Fuqing Municipal Office Affairs Service Center, and other parties.

● **Farms and Land Reclamation Management**

Through one-stop, three-dimensional, and intelligent solutions, we help agricultural parks realize multi-direction improvement of resource value, governance level and people's happiness. When the residents who have been living in the Great Northern "dedicated their youth and life", meet Longfor Smart Service of "For You Forever", it will show a brand-new image of the Great Northern.

● **Urbanization Projects**

We are the smart steward of the Chenglingji New Port District, Yueyang, as we intensely developed the construction of the "port urbanization", actively explored new urban service models, helped to improve the local business environment and residents' satisfaction index, and contributed to the integrated development of this port urbanization.

Longfor Housing Agency Service, Providing Customers with One-stop Property Agency Service

With the mission of "smart convergence of better life" and the service vision of "Best for Your Need", we provide customers with one-stop property agency services, as well as diversified asset management and integration plans to meet the actual needs of customers for asset hedging and appreciation. We strictly followed the *Urban Real Estate Administration Law of the People's Republic of China*, *Contract Law of the People's Republic of China*, *Administration Measures for Real Estate Brokerage* and other laws and regulations, to protect the legitimate rights and interests of the parties relating to real estate transactions and activities, and promote the positive development of the real estate market.



Longfor Housing Agency Service System started in 2008 and has been deeply engaged in the industry for more than 10 years.



As of the end of 2020

Longfor Housing Agency System has a professional team of more than

1,000
members

Established over 100 stores in over 30 cities and provided services to more than

100,000
customers

Customer satisfaction rate

96%

► The measures of Longfor to improve the housing agency service

Self-operated mode implements the origin of the service, providing a relieving, comfortable and satisfying quality services.

Provide our staff and consultants with proper professional trainings and internal rating mechanism to ensure the service quality.

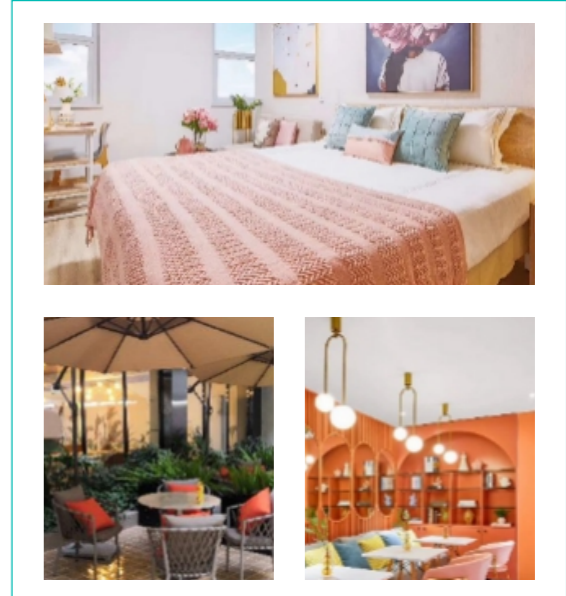
Based on our existing management service and strong relationship between front-line service staffs and customers, property transaction between buyer and seller can be completed in a comfortable and smooth way.

Based on the knowledge of the community, we record properties' status in detail to make the clients more assured.

For asset management service such as housing trust, we provide managers to ensure asset safety.

Longfor Housing Decoration, Providing Ready-to-Live Prefabricated Integrated Solutions

With the iterative development of frontier technologies such as the Internet, the Internet of Things, and digital technology, Longfor's housing decoration business provides ready-to-live prefabricated integrated solutions to customers based on an ecological mutual complementarity mechanism, and answer the needs of Longfor's internal multi-channel business scenarios. Under the *Management Measures for Residential Interior Decoration and Renovation*, we optimize the decoration experience for customers and create a beautiful living space by meeting customers' needs for decoration, environmental protection, and efficiency.



► The three major components of Longfor's housing decoration

Smart Decoration

Longfor has more than 20 years of operational experience. Based on it, we aim to open up a new pattern of Internet intelligence EPC prefabricated housing decoration with the iterative development of frontier technologies such as the Internet, the Internet of Things, and digital technology.

Smart New Materials

The products mainly cover fireproof and zero formaldehyde floor, plaster and self-leveling products, and healthy and environmentally friendly prefabricated building materials such as panel and portable furnitures which are wood-based or hardware-based.



Internal Prefabricated Design Institute

Professional design institutes engaged in the integrated prefabricated decoration design provide customers with integrated prefabricated solutions.

Longfor Elderly Care Services, Keep the Beauty of Life and Serve the Future

Since 2017, the Group established Ever Spring Health Industry Development Co., Ltd., to deploy the elderly care and health industries. Ever Spring upholds the corporate philosophy of Keep the Beauty of Life and Serve the Future, and innovates business models and service features. Leveraging on the embedded community care center to carry out the networking of the city and to increase elderly care service capabilities. Meanwhile, the Group has achieved the online and offline integration by the use of data and technology, to build a Big Data platform for elderly care and health services, and to create a service output capacity in multiple scenarios.

We strictly abide by various national and local policies and standards such as the *Basic Specification of Service Quality for Senior Care Organization*, *Nurses Regulations*, *Beijing Elderly Care Institutions Service Quality Standards*, and other national and local policies and standards. We provide multiple products such as senior apartment, community care center, continuous care for the elderly community, homecare, etc., which co-exist with Longfor's other business. We provide our customers with professional, warm, comfortable, and high-quality health and elderly care services to help the construction of China's comprehensive health system.



Chengdu Fancheng Yinian Apartment



Beijing Fengtai Yinian Apartment



Chongqing Ruihaibei Rehabilitation Medical Center

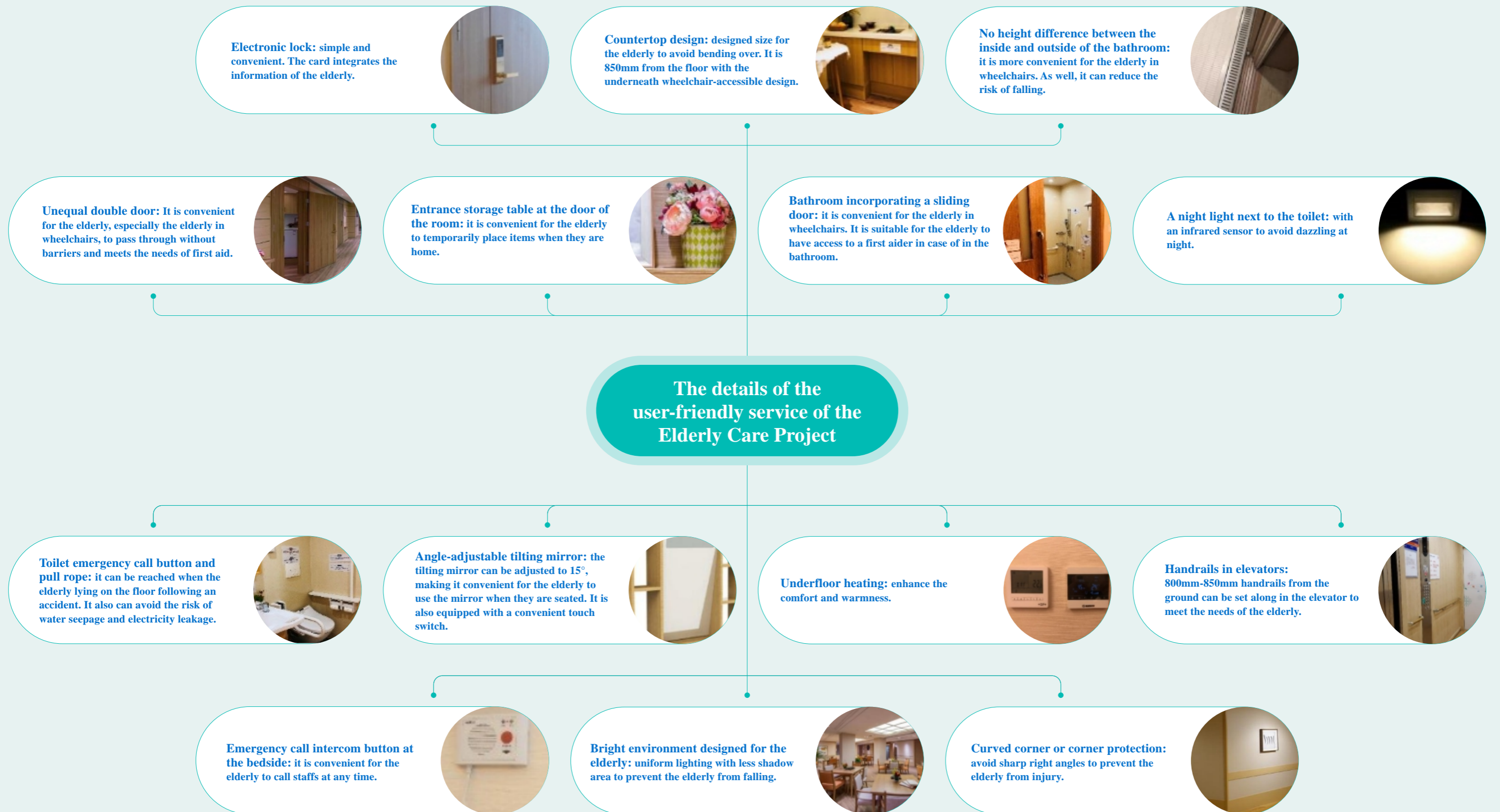


Shanghai Gucun Comprehensive Senior Service Center



Shanghai Minhang Yinian Apartment





6.3 Customized Happiness

Longfor Group attaches great importance to building a benign interactive relationship between customers. In 2020, we continued to carry out some customer interaction and communication projects such as “Beauty Life Plan”, “Xiaolongren Plan”, and “Longmin Festival” to enhance the relationship between the company and customers.

Carry out “Beauty Life Plan”, Helped More Than 100 Communities to Upgrade Their Level of Happiness

We provide an exclusive value-added service free of charge for proprietors, named “Beauty Life Plan”. It includes two particular parts, “Keep the Community Active and Beautiful” and “Love Your Home, and Change the Look”. The former one is committed to optimizing the ecological environment of the community and creating a more friendly

outdoor interactive space for our residents while the second one aims to upgrade the proprietors’ home, including cleaning and maintenance, services such as inspection and repair, indoor disinfection, etc., which can improve the quality of living.



With the continuous development of the “Beauty Life Plan”, more and more communities delivered many years ago, have gone back to the youth, and the community spaces were more energetic and secure. We even attracted more Longmin contribute to the community. In the immediate evaluation conducted by Longfor Smart Service, the satisfaction rate of all property owners who participated in the plan is over 95%.



the “Beauty Life Plan” has been set up for 9 consecutive years, with a total investment of



RMB 100,000,000+

In 2020, the “Beauty Life Plan” was launched in May and ended at the end of October, covering a total of around

20 cities | 200 communities

230,000 households



“Xiaolongren Plan” Exclusive Family Summer Camp, Lightening Up the Hot Summer Vacation

The Group organized exclusive activities for youngsters, named the “Xiaolongren Plan”. Through high-end educational nationwide and abroad resource, the Group cultivates the spirit of exploration and innovation for the young living in the Longfor community.

In 2020, the “Xiaolongren Plan” activities further brought the experience of online activities. Under the reliable pandemic prevention measures, we encouraged the “Xiaolongren” to take part in outdoor activities, keep fit, and encourage their families to be out in the nature and maintain a healthy lifestyle. This season, all the events attracted more than 60,000 “Longmin” to register and participate, which covered 40 cities across the country. In the end, 34 “little dragon” s’ families gathered in Yantai.

In addition to introducing high-quality educational resources, we customized exclusive watercourses, and outdoor ball games courses. Through online game competition, research and investing experience, life experience sharing from the champion, and other forms, we helped the youngsters to increase life experience, and to build health bodies during their growth in the interaction with different families.

During the past 3 years

we have held more than

200
activities

covering

40 cities **300,000** participants

2020 “Longmin Festival”, an Upgraded Public Welfare for Farmers



Since 2015, we have held “Longmin Festival” activities in the third quarter of each year, in the form of community cultural activities or shopping discounts for Longmin and business members in the community and shopping malls. Over the years, the “Longmin Festival” has accumulated good reputation among Longmin with its innovative and varied activities, warm atmosphere, and generous exclusive benefits.

In October, the 2020 “Longmin Festival” was officially started. The event lasted 20 days and covered 33 cities nationwide, including communities, shopping malls, rental housing, elderly care service, urbanization projects and other innovative business. Being influenced by the COVID-19 epidemic, we put more effort on the online platform for this year’s “Longmin Festival”, and we encouraged Longmins to participate in the festival contactless. Through the cooperation with the social enterprises of China Foundation for Poverty Alleviation, “Shanpin Commune”, “Longyan Youxuan”, and “Tianjie Youxuan”, we launched the first public welfare live streaming of “This is Longmin!”, which could bring more discount to Longmin.

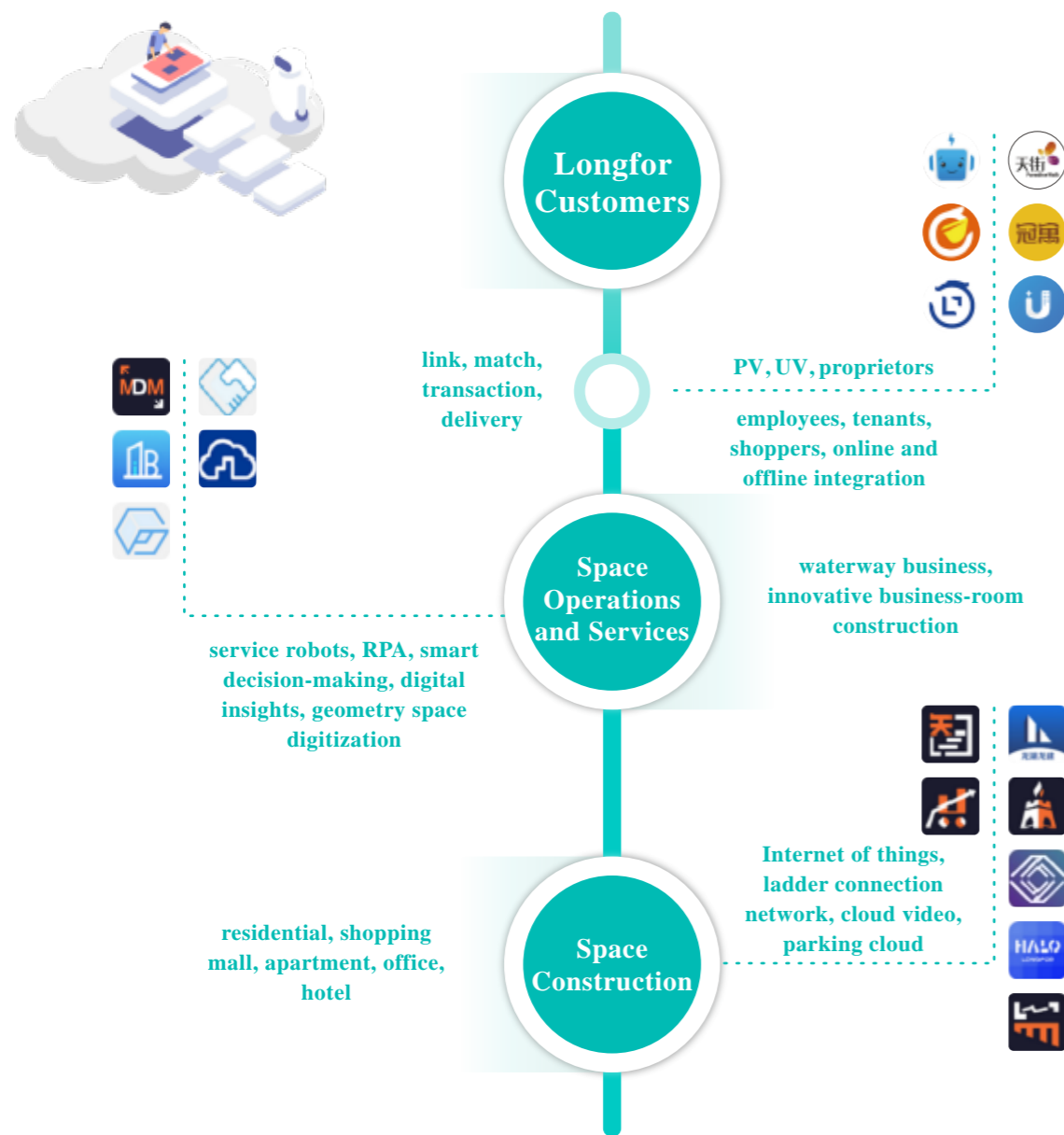
Non-profit sales reached

RMB **600,000+**



6.4 Technology Empowerment

The Group has a digital technology team with thousands of talents in the industry. To keep supporting business innovation, empower the operation by reducing costs and increasing efficiency, the team has created more than 200 products by means of industrial Internet, Internet of Things, Artificial Intelligence, and Big Data. These product covered multi-channel business operations, services, management, collaborative work, and other internal and external scenarios to implement the strategy of “Space as a Service” .



With the cutting-edge technology and technical means, the Group has improved the intelligence, efficiency, and convenience of products and services. We promoted BIM technology across the entire Group, established a project management based on BIM technology, which improved the efficiency of project production and construction quality, shortened the construction period, and reduced construction costs. The 3D model made by BIM technology can provide reasonable optimization advice on the pipeline routing, the overall layout of preliminary drawings, and construction drawings. It can also offer collision optimization suggestions to ensure that BIM and design are carried out and optimized simultaneously, and both of them can work together to improve the efficiency of the design stage and avoid mistakes and omissions in the later construction stage. Meanwhile, we use the informatization technology to enhance construction management and reduce the waste from rework and changes.

In 2020, the application rate of BIM technology of the Group

60%



Longfor commercial has adopted advanced technologies to promote the interaction between space and content. We aims to empower the new model of business by introducing technologies including the novel lightshow, naked-eye 3D and VR, etc., which can bring unique experience for consumers.



Meanwhile, Longfor Goyoo can provide convenient service by using big data, developing smart systems, panoramic online house viewing, electronic signing and mobile payment to realize complete digital management.

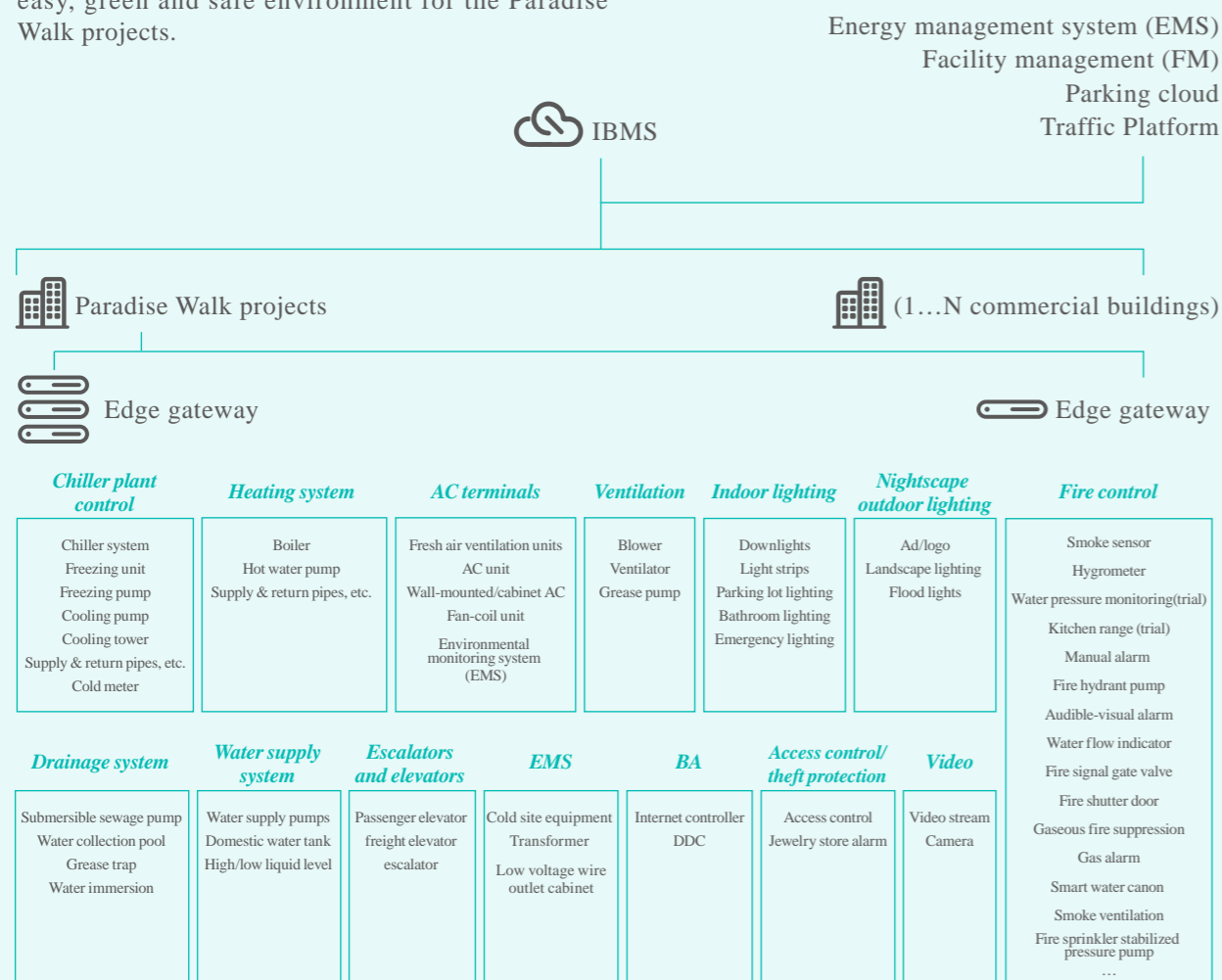
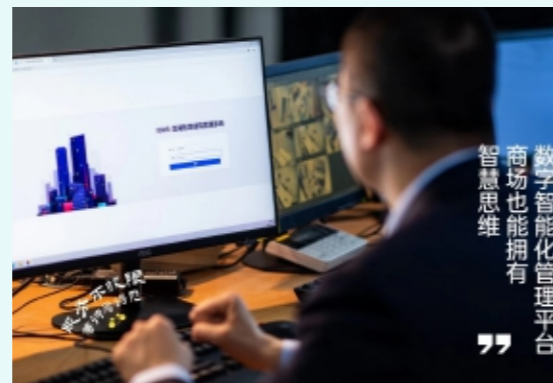


Longfor Smart Service is committed to improving every detail related to life experience by creating smart systems and products. We provide proprietors with intelligent service experience through the “Xiaodangjia” and “U Xiangjia” apps. Meanwhile, we create smart space using equipment management systems such as the elevator cloud and parking cloud. The Group sticks to ingenuity and science and technology support to provide customers with more intelligent and high-quality services.

► **The Longfor Intelligent Building Management System (IBMS) provides efficient management for building operation and maintenance.**

The Longfor IBMS is a smart building management platform that integrates traditional control technology, enterprise-level system integration and the latest Internet of Things (IoT) and cloud technologies. It provides a variety of service-centric applications and expertise based on big data analysis to help the Group standardize the management of Paradise Walk projects while improving operational efficiency and cutting operating costs. It delivers an effective boost to customer satisfaction and improves building value throughout the life cycle.

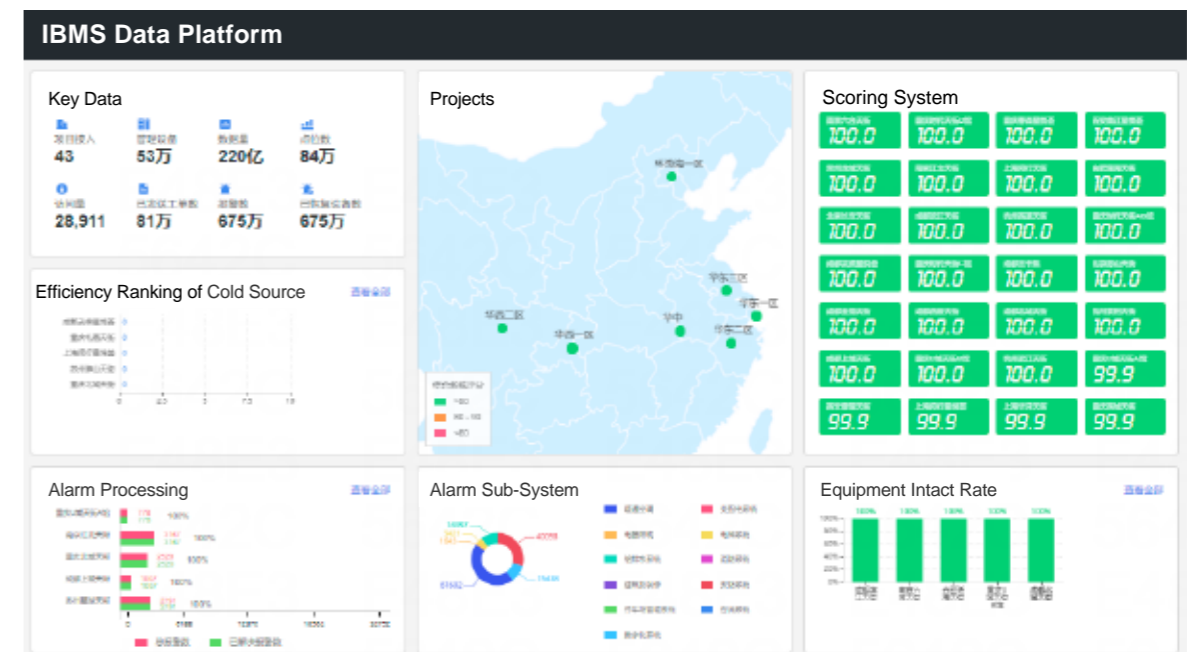
The IBMS platform features a modular infrastructure. Each module delivers an independent function while modules can work together to provide more complex functions. As the core software to operate and manage our Paradise Walk projects, the IBMS integrates various subsystems in an organic manner for centralized monitoring, unified management, and coordination. It provides a cozy, easy, green and safe environment for the Paradise Walk projects.



► **What IBMS Offers**

Integrated management of all shopping malls in operation, real-time tracking and monitoring of project operation and maintenance status.

More than 500,000 devices under control, over 1 million information been monitored and processed on a daily basis.



Instant alarm and rapid handling

OSS work orders are generated once fault or abnormal data is detected for efficient treatment.



► Chengdu Xichen Paradise Walk

Intensive management

Intensive operation and management of electromechanical equipment for better labor efficiency.



► Changzhou Longcheng Paradise Walk

Fire alarm and water pressure monitoring to ensure safety

Fire alarm and water pressure monitoring, detects fire accidents in real-time and put out fire in early stage.

Water pressure abnormal alarm	Follow-up activities
<p>报警时间： 2019/06/22 20:25:59</p> <p>报警源： SPNP_4F_wp_137_15(4F-16号管道井水压检测)</p> <p>报警信息： 压力：水压异常报警</p> <p>报警源状态： 正常</p> <p>子系统： 消防系统</p> <p>设备类型： 喷淋管网末端压力</p> <p>楼层： 4F</p> <p>设备位置： 显示点位技术信息</p>	

► Hangzhou Binjiang Paradise Walk



Robots to replace human inspectors to improve equipment efficiency and simplify the procedure

► Blue Engine Boosts Technological Innovation

Blue Engine is an urbanization projects brand under Longfor Group. It uses office space as a carrier to integrate internal and external innovation resources of the Group. Through urban renewal and TOD comprehensive development, it creates an innovative platform for industrial upgrading and urbanization integrated development.

Hangzhou Longfor Blue Engine has cooperated with High-tech Zone (Binjiang) Science and Technology Co., Ltd. to build an incubator together. With the Blue Engine as an industry-bearing platform, they import industrial resources to build a cluster of medical technology industries, and promote industrial development. On October 12, 2020, Hangzhou Longfor Blue Engine was recognized as a Zhejiang Provincial Technology Business Incubator and received an award of RMB 1 million as well as property tax, urban land use tax, and value-added tax reductions. The Longfor Blue Engine has a significant meaning to the construction and operation of innovation carriers such as incubators, and science and technology zones. It gathers elements of innovation and entrepreneurship, incubates and cultivates strategic emerging industry and innovative enterprise talents, and reaches the evolution of enterprises and talents. It is the important measure to assist traditional properties to transform into science and technology zones, upgrade incubators, and shape the incubation brand of "Hangzhou High-tech and Innovation".

Meanwhile, Longfor Blue Engine has been chasing for higher service quality and has developed the "Urbanization Projects Smart Asset Management System", which cooperates with Longfor Smart Service in daily management to provide customers with the highest quality and in-place services. In 2020, jointly developed by the Digital Technology Department, the "Online Reporting and Repairing System" has been launched and officially started to operate. Customers can initiate reports and repairing requests at any time through the official account of Blue Engine with the traced progress of orders, and the customers can give service evaluations on the official account.



► Hangzhou Binjiang Blue Engine

6.5 Privacy and Security

The Group attaches great importance to collecting and solving customers' feedback and opinions. We respect customers' right to know and protect customers' privacy.



Protect Customers' Privacy

The Group attaches great importance to protecting customers' privacy and strictly complies with the *Civil Code of the People's Republic of China*, *Cybersecurity Law of the People's Republic of China*, *Measures for Data Security Management* (draft for comments), *Provisions on the Cyber Protection of Children's Personal Information Online*, *Personal Information Security Specification* (GB /T 35273-2020) and other laws, policies, and standards related to privacy protection. The Group has formulated the *Group Data Security Management System*, *Group Staff Information Security Code of Conduct*, *Group Sensitive Document Leakage Prevention Guidelines*, and *Group USB Flash Disk Copy Prohibition Operation Guidelines* and other internal policies, and signed privacy protection terms with customers to ensure customer information safety. Based on the different selling point of each business segment, we have brought up strict management requirements responded to customer privacy. For example, the sensitive information of users, including the mobile phone number, delivery address and other

information is desensitized by the background system of Longfor Commercial. The user authority of login background system will also be handled according to different levels to ensure that user information will not be exported or leaked. Longfor Goyoo have implemented policy of online contracts, online payment, and online maintenance report. Takeaways or unfamiliar tenants are not allowed to come in, to avoid customers' information outflow and customer privacy information leakage incidents. The privacy protection of *Goyoo Operation Red Line Policies* has established, and the Innovation and Urbanization projects Development Department has formulated the *IHG Handling Personal Data Policy*. The Elderly Care Business Department has promulgated the *Customer Check-in Information Protection System and Calling and Visiting Customer Information Protection System*, so that the information of the elderly and their families such as registration, contracts, files, etc. should be filed and stored, which can avoid information leakage incidents.

Privacy Protection Management Method of Clients of Property Sales	
When the Clients Arrive	After registration by scanning on "U Xiangjia" APP, the receptionists will send clients' information to Lafeng System, which allows the property consultants catch up online. It will avoid clients' information leakage incidents.
After the transaction	The property consultants will hand over the paper version of the customer registration files in time to an appointed staff to store them in a dedicated filing cabinet for bookkeeping. At the same time, the customer's phone number, ID card and other information is entered into the Longfor CRM system and managed in a hidden number format method.

Privacy Protection Management Method of Elderly Care Business

Information Protection of Check-in	<p>All information related with registration, contracts, files of the elderly shall be kept confidential and not be added, deleted or disclosed at will. The telephone number of the elderly and their family members shall not be disclosed in any form.</p> <p>The information of the elderly is stored in their own file cabinet in the archive. It is forbidden to take the files of the senior occupants without authorization.</p> <p>Anyone who discovers an information leakage incident should quickly act and report. Anyone who causes the information leakage shall be expelled. If severe consequences are caused, they will be sent to the police in accordance with the law.</p> <p>The sales representative needs to file all the collected information promptly and hand it over to the Comprehensive Management Department for safekeeping.</p> <p>No one is allowed to borrow customers' contracts and files. If needed, an explanation is required to place a request to the dean before applying for the permission, and there will be an appointed staff member to consult the relevant information on their behalf.</p>
Information Protection of Calls	Clients' calls should be registered in the <i>Incoming Calls and Visits Registration Form</i> as soon as possible. After entering the clients' information into the system, the sales representative in charge shall file the form and shall not disclose the information in any form.
Information Protection of Visits	Every unknown visitor needs to provide the name and the relationship with the person being visited. The room number, name, telephone number, and other information of the residents shall not be given out.

Privacy Protection Management Method of Urbanization Projects Business

Smart Asset Management System	Launch the Smart Asset Management System of urbanization projects to record commercial tenants' information, and realize access control through the function of CRM customer management.
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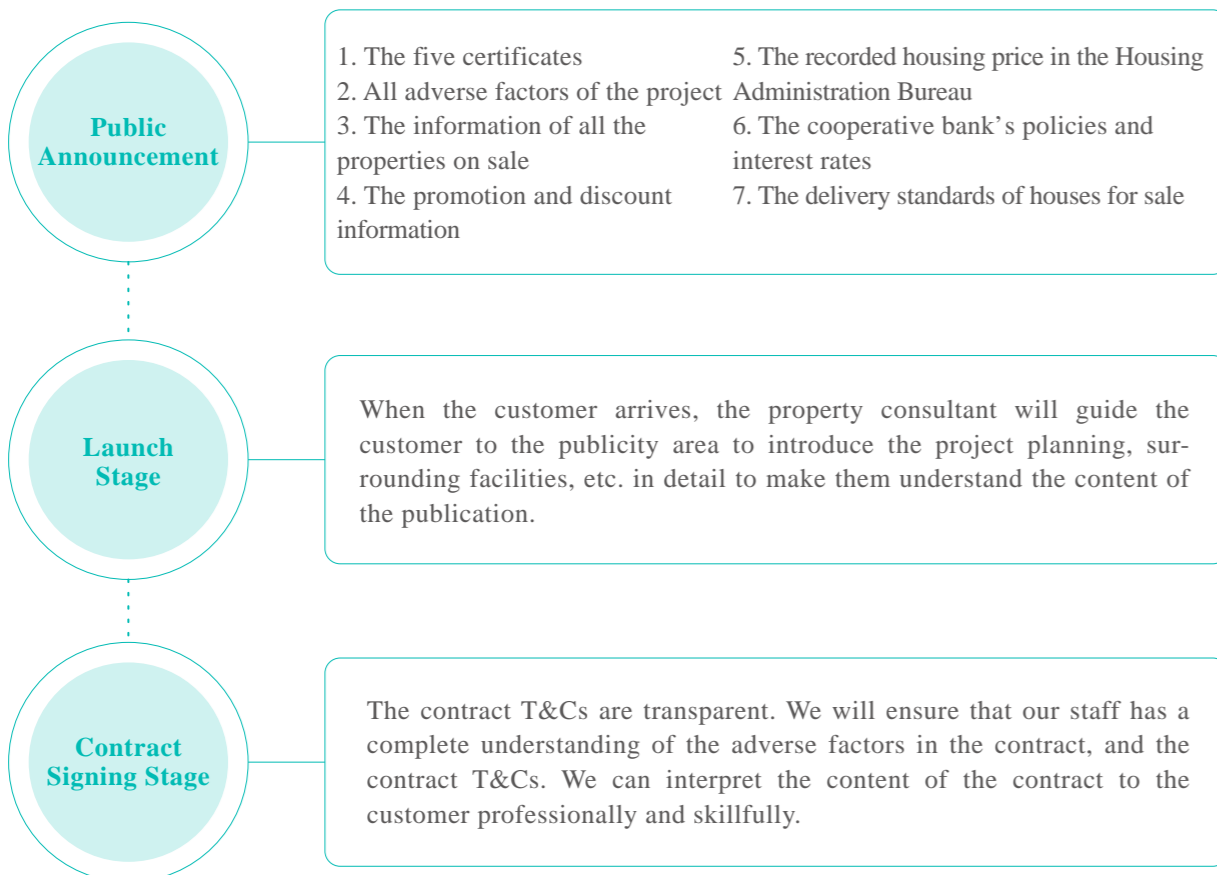
The Group has established an information security construction system and a security audit system. Faced with changes in its multi-channel business, Longfor built a professional team composed of specialists. Starting from personal information protection on public internet, account numbers and passwords, and terminal information leakage prevention, we established the risk control monitoring system and risk control platform to monitor and handle data risks and security risks, improving the overall consumer privacy protection level.

In 2020, based on the well-completed policies system, the Group started a lot of information security assurance work, including system network security examinations, practical confrontation drills, security risk assessments, and regular product security audits, to reduce cyber security risks such as dark and gray industries. We have also created the WeChat official account to convey the information security concept online.

Respect Customers' Right to Know



We respect customers' right to know and insist on being open and transparent in terms of fair marketing responsibilities. Taking real estate sales as an example, Longfor requires all units to strictly implement information transparency in the process of public announcement, sales procedure, and contract signing procedure.



Complaint Handling and Satisfaction Improvement



The Group has formulated the *Longfor Group Major Group Lawsuits and Major Complaints Management Measures*, *Longfor Property Complaint Management Procedures*, *Longfor Property Complaint Handling Procedures*, *Group Goyoo 400 Customer Service Notification Operation Standards*, and *Group Goyoo Public View and Customer Litigation Risk Management Standards*, *Guidelines for Handling Crisis Incidents of the Goyoo* and *Guidelines for Handling Longfor Group Commercial Real Estate Complaints* and other customer complaint management measures. Each business segment has an appointed management system to respond to customer complaints and eliminate the causes of complaints.

The Group has established multiple complaint methods for customers, including WeChat official account "U Xiangjia", 350 hotlines and "U Xiangjia" APP. These methods improved the efficiency and convenience of handling customer

complaints. We regularly analyze the customers' complaint data, conduct in-depth research on existing problems and propose solutions to improve effectiveness of complaint handling and closure.

The Group has formulated the policies of *Customer Satisfaction Management System*, to promote each function unit and local companies to continuously summarize, improve, and enhance the product quality and service level based on the feedback from client data. The Group satisfaction survey is carried out by various departments with coordination, involving the entire process of scene experience, business contacts, behavior contacts, passive contacts, etc., covering the whole process from signing a contract to moving in. Meanwhile, we standardized the customer service progress and carried out satisfaction management on marketing, engineering, and other businesses, to improve customer satisfaction level in various ways.

Customer Service Standardization	Data Warning Research on Customer Satisfaction	Customer Satisfaction Seminar Customer Delivery Manual
Marketing Satisfaction Management	Standardization of marketing process Establishment of a quarterly thematic meeting mechanism	
Project Satisfaction Management	Strengthen process control, pre-positioning Real-time management of problematic projects The Group's engineering function empowers property repair and property management services to help improve the satisfaction rate of projects	

In 2020, Longfor has comprehensively upgraded the satisfaction survey mode, adjusted the evaluation method, time, content and evaluation mechanism, aiming to receive more realistic, objective, and timely results from proprietors.



The upgraded satisfaction survey model can help Longfor listen to the real voice of customers more randomly at any time. We will make improvements on the basis of their valuable opinions more timely to better enhance the customer experience. At the same time, we encrypt the customer data we collect to protect the user's security and privacy.

**Evaluation method:
More diversified**

<p>BEFORE</p> <p>Telephone survey</p>	<p>AFTER</p> <p>Evaluate with multi-channel triggers: Online survey methods include “U Xiangjia” APP, service account, WeChat mini program, message and telephone. Online survey would be the priority choice to avoid repeated interruptions to owners.</p>
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**Evaluation content:
More comprehensive**

<p>BEFORE</p> <p>Limited coverage</p>	<p>AFTER</p> <p>Covering the life cycle from signing to occupancy: By summarizing the interaction scenarios between customers and Longfor, 14 evaluation scenarios are extended, covering the whole life cycle of owners from signing, delivery, housewarming and long-term occupancy, so that all the places with services can be evaluated in time.</p>
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**Evaluation time:
More flexible**

<p>BEFORE</p> <p>Follow-up phone call in fixed period</p>	<p>AFTER</p> <p>Evaluation after the service: After the service, the evaluation questionnaire should be sent to the users in time. The content of the questionnaire should be simplified, which means only the questions most closely related to the user experience should be retained, and the research time should be reduced.</p>
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**Evaluation mechanism:
More proactive**

<p>BEFORE</p> <p>One-time evaluation</p>	<p>AFTER</p> <p>Sustainability evaluation for service content: Add the option of “review”, so that the feedback problems can be followed up continuously. Owners can choose to actively contact the evaluation report in the evaluation questionnaire, and the system will take the initiative to assign tasks and follow up according to the content of the report.</p>
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To further improve the customer's satisfaction of commercial residential building projects, the Group has established a "Customer Satisfaction Fund" and the *Longfor Group Customer Satisfaction Fund Management Implementation Measures*.

We hope that through the fund operation, we can pay close attention to the complete needs of the customers, continue to provide products and services that meet their expectations, improve the comfort level of their community life and the quality of facilities and hardware, strengthen dependence upon the brand, enhance the trust, and create a "healthy, caring, and positive" community atmosphere to further enhance the customer satisfaction level.



In 2020

Satisfaction Rate of the Group

88%

Satisfaction Rate for Maintenance and Rectification Service

95%

► Held meetings with the property owners, to deliver better customer service

In 2020, Longfor Smart Services held meetings with property owners in multiple communities. During the meetings, we introduced and reported the major work of customer service, engineering and other departments, listened to and answered the owner's concerns.

The detailed contents including the inspections for community equipment and facility, park greenery and maintenance, basic cleaning and disinfection, community decoration and security patrols, and

emergency inspections.

The talkfest is an important channel of communication with property owners. Through the talkfest, we invite enthusiastic property owners to participate in the service and management of the community to create a co-managed property service mode, and to provide all owners with more considerate, high quality service, and to create a harmonious and beautiful home together.



07

BE KIND TO ENVIRONMENT

Continuous green and low-carbon development

The Group actively takes the corporate citizenship responsibility to respond to the call for building a green ecological civilization. The whole strategies focus on the following three themes, low carbon, green, and healthy. The Group takes real estate developer's environmental obligations seriously in all aspects of the business. The Group seeks to achieve the scientific "carbon peak" throughout projects' life cycle and achieve the goal of "carbon neutrality" in medium-term or long-term operation.

We recognize the importance of connecting people, buildings and nature with green ecology, and persistently improve the energy efficiency of our products and aim to deliver each green product with dedication. We advocate the concept of "green operations" in office sites nationwide and strive to lower the environmental impact to the minimum.



ESG topics :

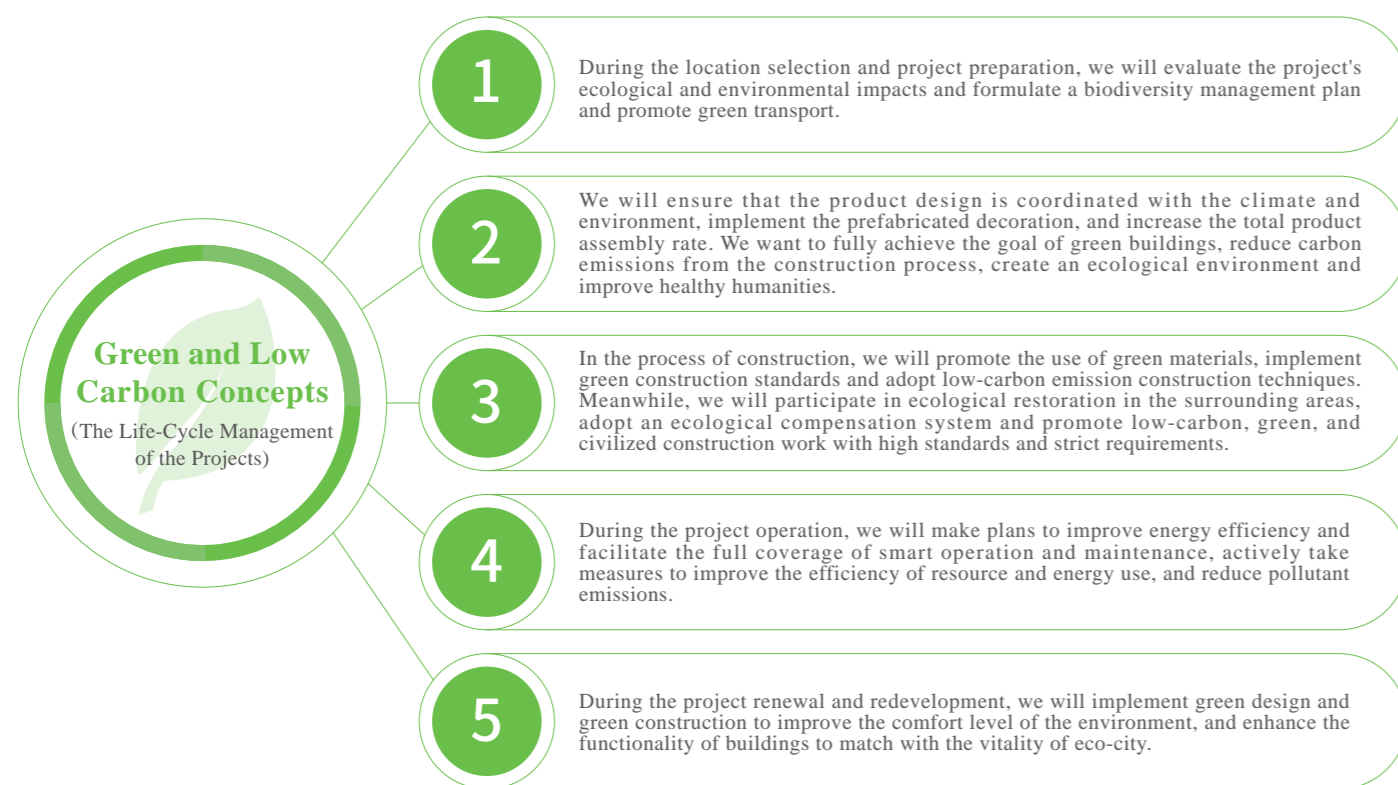
Waste management and pollution prevention
Energy conservation
Green building design and promotion
Biodiversity

SDGs topics :



7.1 Green and Low-Carbon Concepts

We have adhered to the development concept of “low-carbon, green and healthy” and combined sustainable development with the life-cycle of buildings to establish a comprehensive green construction methodology, which we can ensure the projects are completed environmentally and community-friendly from the site selection, design, construction, operation to renovation.

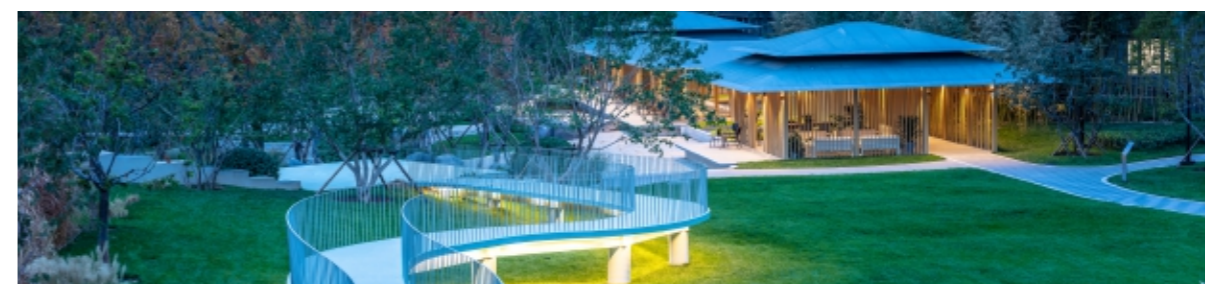


The Group strictly complies with the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on Environmental Impact Assessment*, the *Energy Conservation Law of the People's Republic of China*, and the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations to standardize and guide the various operation departments and local companies with the environmental management, identify and evaluate environmental factors in operation controls, and control the environmental risk factors. Meanwhile, by following the national *Notice by the General Office of the CPC Central Committee and the General Office of the State Council on the topic of Issuing Guiding Opinions regarding Coordinating the Delimitation and Implementation of Three Control Lines in National Spatial Planning*, the Group has promptly followed up the latest progress of national and local ecological protection red lines, adjusted the boundaries based on the latest updates for basic farmland, and urban development, to ensure the legal, compliant, and reasonable development. During the reporting period, the Group had no incidents that

caused significant negative impacts on the environment and natural resources. There was no violation of laws and regulations related to the environment.

In 2020, we released the *Longfor Group Environmental Policy*, which includes environmental commitments, goals, and roadmap. This policy applies to all departments and businesses of Longfor Group, and all business units that Longfor Group has the operational control rights, as well as business partners throughout the business chain.

Meanwhile, we have started to formulate the “low-carbon, green and healthy” product development strategy. With goals of green construction and 100% green and healthy buildings, we will put more efforts to the exploration of ultra low energy consumption design, low emission buildings, smart operation and maintenance, and other aspects. We want to build a healthy community and achieve our vision on “low-carbon, green and healthy” development.



► Longfor Gaobeidian Railway City

7.2 Green and Low-Carbon Construction

Adhering to space construction concept of environmental protection, energy-saving, and sustainable development, we have taken international cutting-edge designs and materials to build green buildings, committed to integrate products and the environment. Meanwhile, we have adopted the strictest ecological protection standards for real estate development projects, from site selection to construction work, implemented the construction standards, and to ensure that projects' development and construction are environmentally friendly and community-friendly.

Green Building

We are committed to be the promoter and leader of green buildings, striving to align with the *Green Building Evaluation Standards* and other new national and industry standards for green buildings, and promoting the green design and green operation.

With consideration on the climate characteristics of the building's location, the type and level of building energy conservation, we plan to maximize the use of natural ventilation and daylight. We widely adopt energy-saving technology and clean energy, and the residential energy-saving rate meets the 65% requirement of the energy-saving design standard for residential buildings. Besides, we are committed to achieving the highest standards of green building through precise control of land saving, material saving, environmental protection material utilization, indoor environmental quality, etc.

The Group actively obtains green building certifications from LEED, WELL, BREEAM, FITWEL, China Green Building Standards and related certifications, and refers to the certification system's highest standards and best practices for architectural design and operation.

In 2020

percentage of new projects using solar and air energy was over

35%

In 2020

the number of projects obtained green building certifications

34

GFA of green certified projects

5.73 mn sqm

As of the end of 2020

total GFA of the Group's projects meeting the green building standards were over

72.0 mn sqm with 341 projects

In 2020, Longfor Group is widely recognized in the green building field

In the 2020 *China Green Real Estate Index TOP30*, Longfor Group ranked 5th with a green index score of 18.6, three places higher than 2019. The green index score increased by 20% year-on-year.

Corporate Honors

Ranked 2nd in the Top10 of China Green Real Estate (Private Enterprise) in 2020

Ranked 3rd in the Top10 of China Green Real Estate (Commercial) in 2020

Ranked 5th in the Top10 of China Green Real Estate (Residential) in 2020

Ranked 7th in the Top10 of China's Prefabricated Construction Companies in 2020

Ranked 9th in the Top10 of China's Entire Decoration Enterprise in 2020

Projects Awarded 2-Star and 3-Star Chinese Green Building Evaluation Label in 2020

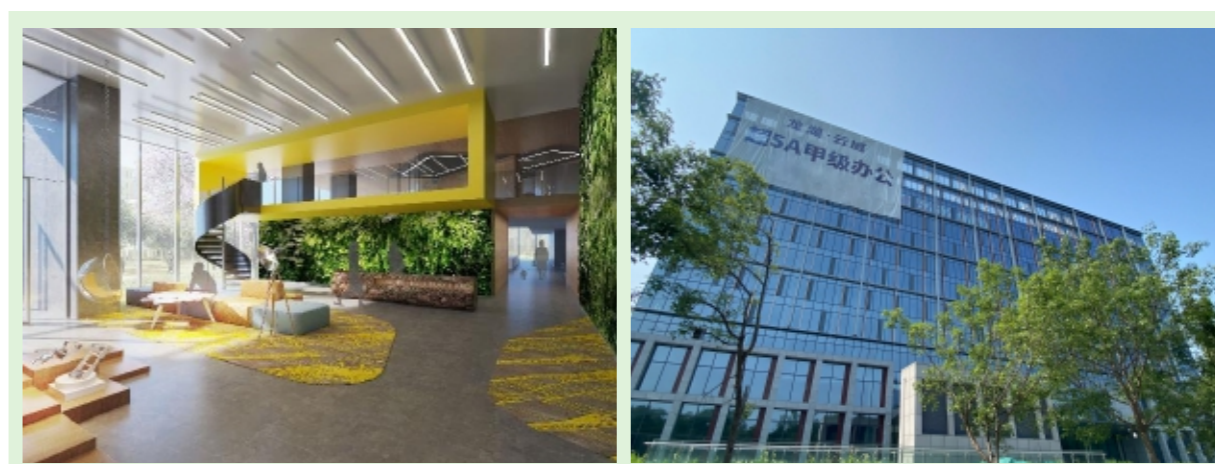
City	Project Name	Certification Level	Type of Certification
Beijing	Longfor · Yunyu	3-star	Design
Qingdao	The Light Year	3-star	Design
Hefei	Emerald Legend	3-star	Design
Chengdu	Chenguang Heyue	2-star	Design
Chengdu	Ziyunfu	2-star	Operation
Guangzhou	Longfor Mansion	2-star	Design
Foshan	Aoyun Tai	2-star	Design
Suzhou	Nature Housing	2-star	Design
Suzhou	City of Light	2-star	Design
Nantong	Longfor Mansion	2-star	Design
Jinan	Prestige Town	2-star	Design
Nanjing	Hexi Paradise Walk / Times Central	2-star	Design
Wuxi	Zhouxin Emerald Legend	2-star	Design
Wuxi	Lihu Mansion	2-star	Design
Wuxi	Qufu East Tianju	2-star	Design
Yixing	Donggui Puyue	2-star	Design
Xi'an	Xin Yi Central	2-star	Design
Xi'an	Jingling Tianxu	2-star	Design
Yantai	Tianju	2-star	Design
Weihai	Emerald Legend	2-star	Design
Chongqing	Shunshanfu / Paradize City	2-star	Operation
Chongqing	Chunshan / Changtan Mansion	2-star	Operation
Chongqing	Jingling Jiuxu / Kaiyuan	2-star	Operation

Longfor Yunyu G-PARK for Green Office Ecosystem

G-PARK Longfor Yunyu is situated in Zhongguancun Environmental Protection Park, Beiqing Road, Haidian District, Beijing. Bordered by the Daxishan Scenic Area to the west, the 300,000m² Cuihu Wetland Park to the east, and the Beijing-Miyun Water Canal to the north, the project provides office surrounded by nature.

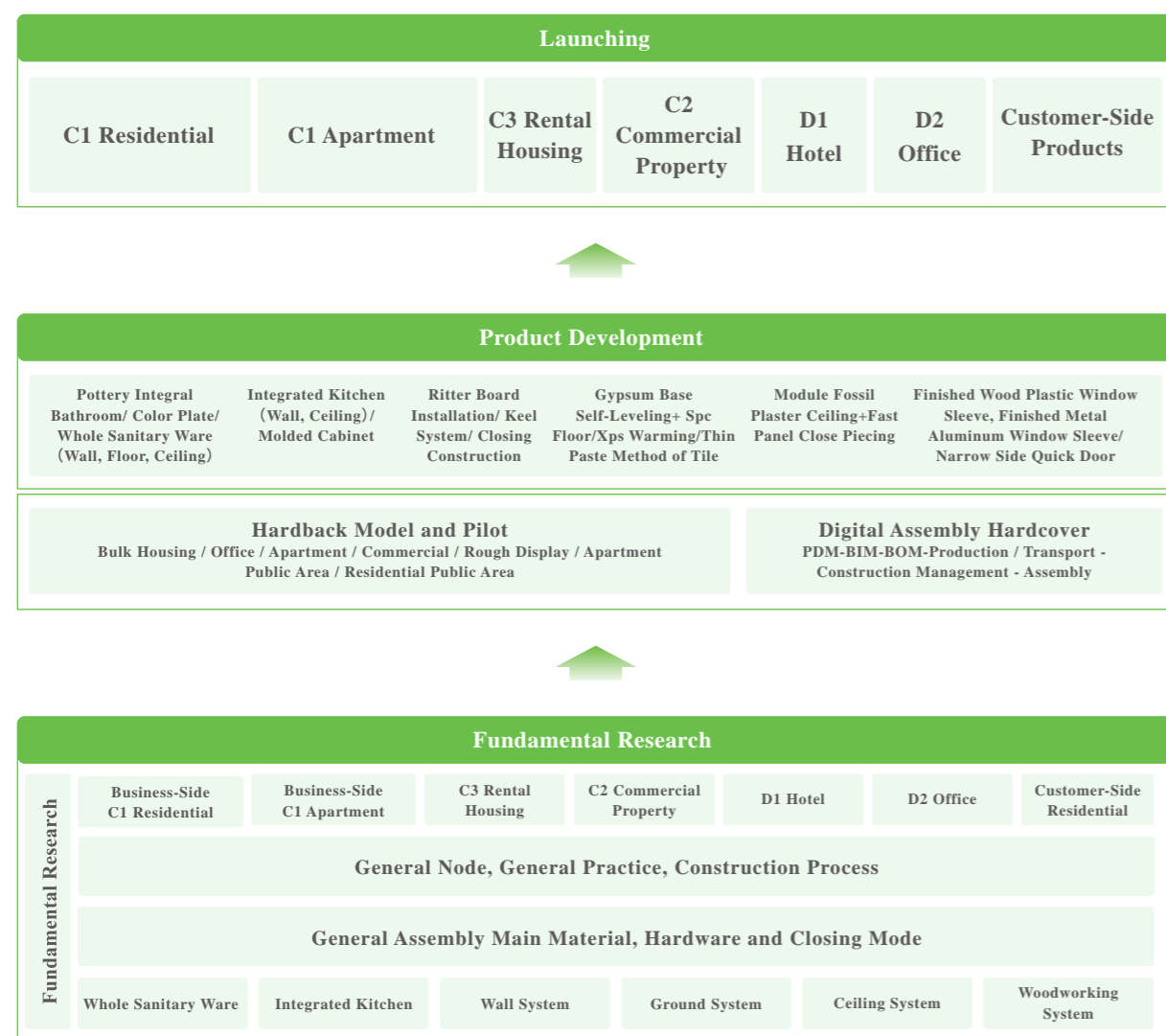
The project is designed with eco-friendly technologies and applications such as solar panels, new ventilation windows, PM 2.5 sensors and purifiers, and curtain wall heat transfer 1.6. The concept of sponge city is incorporated into the design stage to reduce energy consumption and improve user comfort and building performance. As of the end of 2020, the project became the first office building in Beijing to receive the world's top four green building certifications, including LEED Gold certification, the China Green Building 3-star certificate, the BUK's REEAM certification, and the German Sustainable Building Council(DGNB) certification.

			
Gold	3-Star	3-Star	Gold



Prefabricated Construction

The industrialization of construction is an inevitable trend of green development of the construction industry. Following the national policy guidance, the Group has entered the building industrialization era ahead of schedule, intensely cultivated in prefabricated fine decoration, and actively reduced energy and material consumption during construction. As of the end of 2020, the Group's prefabricated fine decoration has involved multiple areas including residential, apartment, long-term rental apartment, commercial, hotel, office, etc., and multiple experimental projects have been implemented.



The New Concept of Pre-Built Wall Greatly Improves the Construction Efficiency

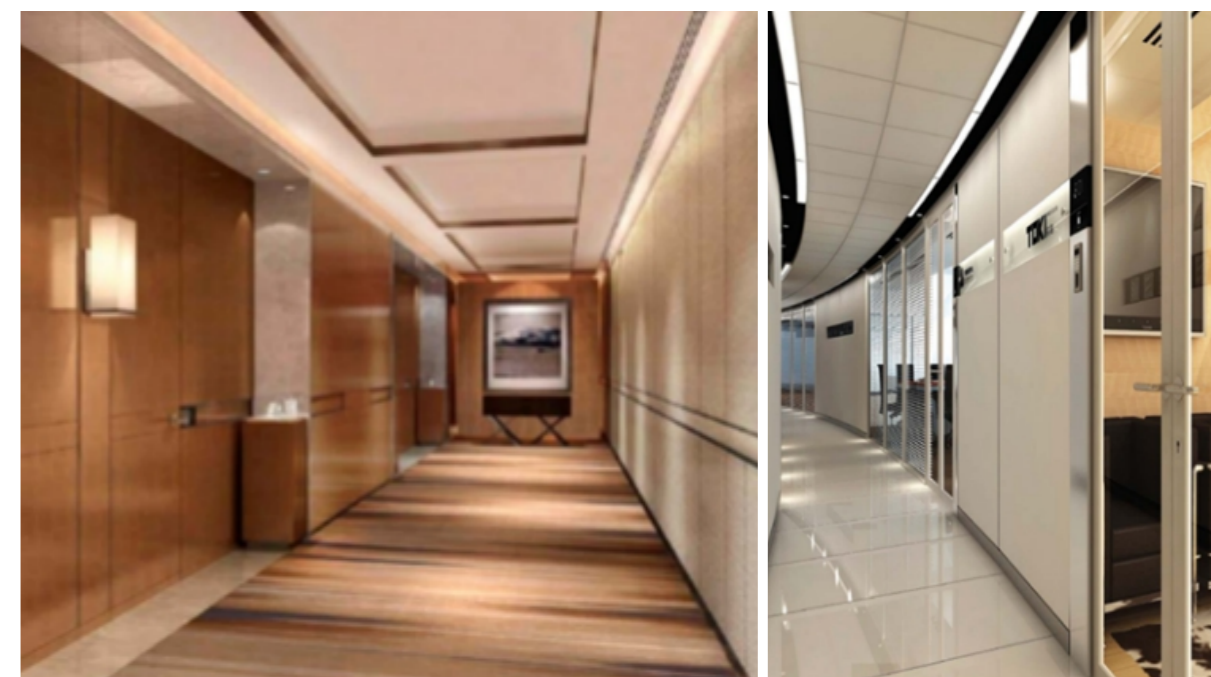
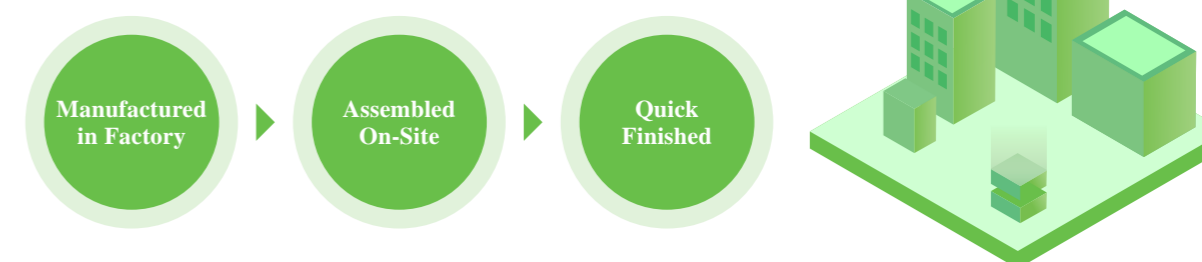
Pre-built wall of Longfor intelligence manufacture is a kind of indoor wall partition wall which uses the plants carbon fiber board as basis, integrated design according to customer's decoration requirements and assembled based on the space requirement on-site. The exterior surface treatment, internal structure and connecting parts of the wall are all produced in the factory, and the wall is simply assembled quickly at the construction site.

Furnishing efficiency improved by

50%

compared with traditional methods

Assembled Process:



► Display of pre-built wall after assembling

Ecology Protection

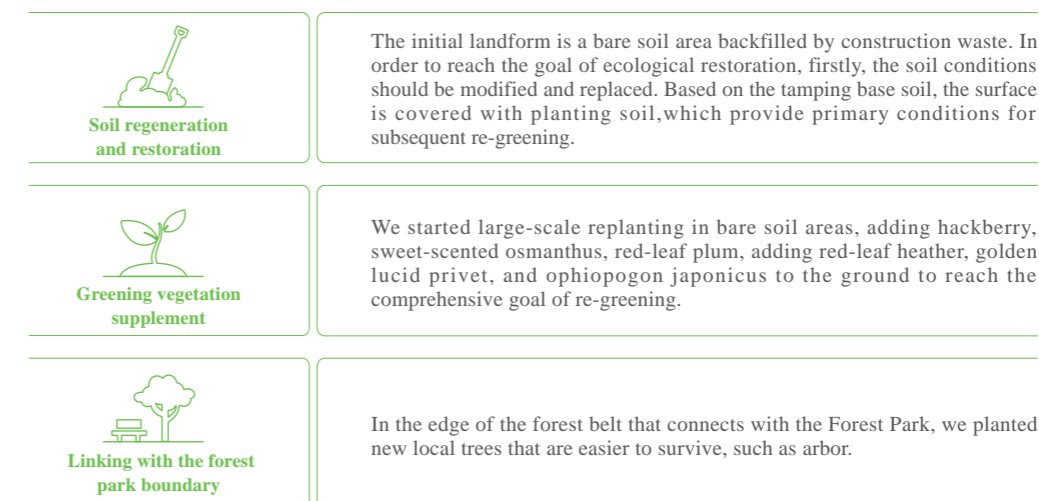
We assess and monitor the environmental risks in various business operation process and take corresponding control measures promptly to protect the surrounding environment and natural resources.



► Chongqing Xiangzhanglin Villa

► Build a bridge between construction and ecology, and help with the ecological restoration of surroundings - Chongqing Longfor Shunshan Mansion

Chongqing Longfor Shunshan Mansion is located at the foot of Zhaomu Mountain Forest Park in Yubei District, Chongqing. It is adjacent to the Forest Park. In order to create a harmonious environment with the Forest Park and optimize the project's ecological environment, the project built an ecological corridor named Jiaban Park (mark 1), connecting the residential area and the Forest Park. During the construction of the Shunshan Mansion Phase II, the damaged bare soil area was ecologically restored to form an ecological restoration park (mark 2). Specific repair measures are as follow:



Through soil remediation, we made the original bare soil area of construction waste to naturally connected with the Forest Park and boundless with the mountain, thus becoming a part of the Forest Park.

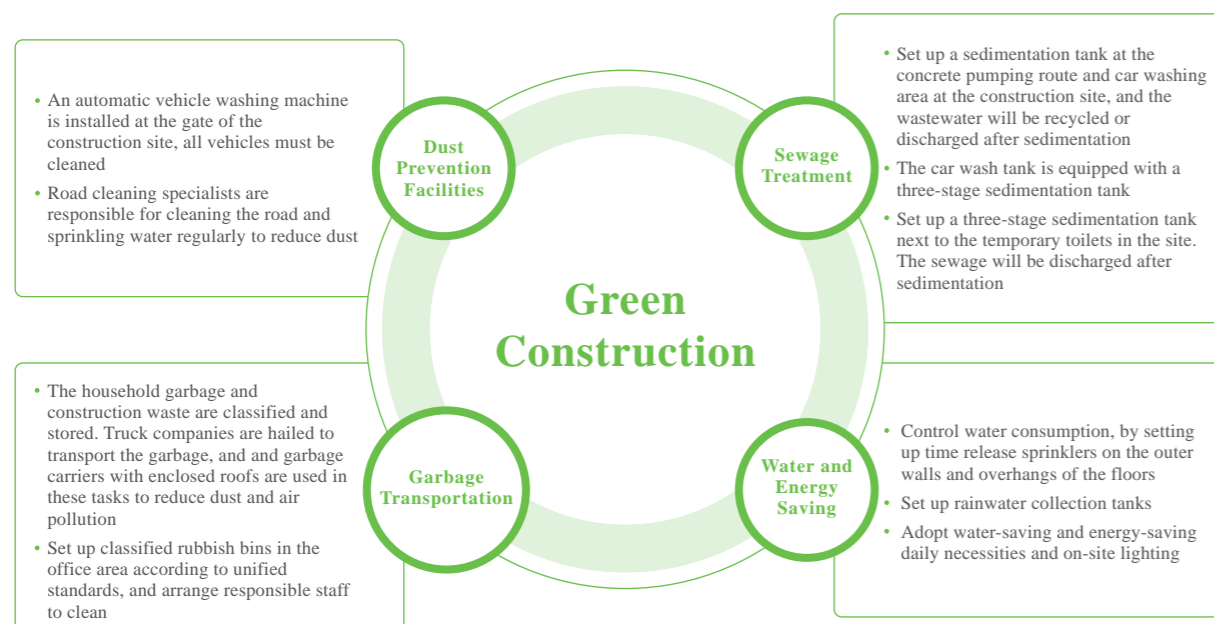


► Zhaomu Mountain Forest Park

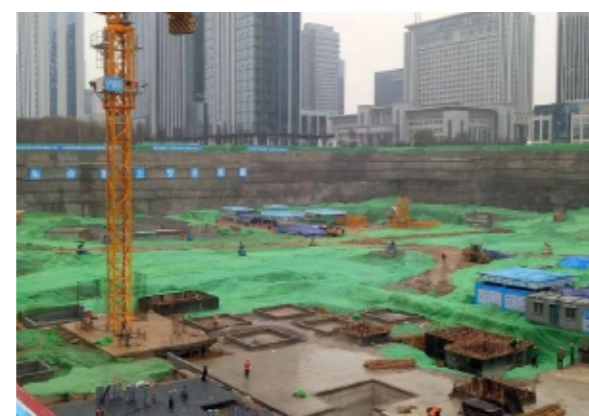
Green Construction

All real estate development projects of the Group are outsourced to third-party contractors. As a green company, Longfor is responsible for overseeing the environmental protection of contractors. By the end of 2020, the Group updated and released *the Project Quality Management Policy of Longfor Group-2021 Edition*, and supplemented and clarified the use of *the Longfor Group Safety and Civilized Construction*

Management Standardization Atlas, which required further inspection and management requirements for green construction progress such as dust-prevention facilities, sewage treatment, garbage transportation, water-saving, and energy saving.



▶ Vehicle washing machine



▶ Covering the dust

7.3 Green and Low-Carbon Operation

The Group promotes innovative environmental protection systems, improves the control system of energy consumption and, implements energy-saving technological transformation and recycling to save resource consumption and reduce waste generation from the source, and have received remarkable results in energy saving and consumption reduction.

Energy Conservation

The direct energy use of the Group is mainly the fuel usage for vehicles for business purposes, and the indirect energy use is mainly electricity. The Group has established a comprehensive energy management system. Each business unit adopts advanced energy management, energy-saving transformation, and energy-saving publicity in accordance with local conditions to promote the efficient use of energy.

During the reporting period

the total amount of greenhouse gases emission produced by the Group was

549,387.33
tons of carbon dioxide equivalent (tCO₂e)

Greenhouse Gas Emission Density

0.00298
tCO₂e/Revenue('000)

Scope 1 greenhouse gas emission was

10,775.66tCO₂e

Scope 2 greenhouse gas emission was

538,611.66tCO₂e

Group Energy Consumption in 2020

Types of Energy	Administration Offices	Operations					
		Projects Under Construction	Residential Property Service	Commercial Operation	Rental Housing	Elderly Care	Offices & Hotels
Purchased electricity (kWh)	5,845,305.22	165,800,000.00	191,031,750.04	203,257,229.20	5,497,200.00	1,218,667.00	11,274,027.57
Fuel (L)	271,170.00	/	18,415.92	/	/	/	/
Diesel (L)	/	/	100,425.75	/	/	/	50.00
Natural Gas (m ³)	/	/	/	3,941,143.70	/	/	578,577.00

Lonfor Smart Service and Ever Spring have formulated *the Longfor Smart Service Group Energy Management System* and *Guide to the Comprehensive Part of the Group's Ever Spring Operation Manual* respectively to clarify energy consumption optimization plans. Based on the management system, each business unit has further formulated energy-saving operation specifications, developed annual energy saving and consumption-reduction plans, and arranged staff to be responsible for implementing inspections.

The Group continues to promote the IBMS smart building management system application when running its commercial operations, which allows building managers to grasp the actual energy consumption trend in real time, so as to further optimize the energy use.

As of the end of 2020

the Group completed the installation and operation of IBMS in

43 projects

with a total investment of

RMB 102 mn

Longfor Hangzhou Zijing Paradise Walk was Awarded for the Honor of “Green Mall in Zhejiang Province”

In Dec. 2020, Longfor Hangzhou Zijing Paradise Walk was awarded the “Green Mall of Zhejiang Province” issued by Zhejiang Federation of Commerce Trade. There were only 3 malls awarded for the honor in Hangzhou.

According to the *Implementation Plan for Creating Green Living* issued by National Development and Reform Commission and the *Implementation Plan for Creating Green Mall* issued by Ministry of Commerce, Zhejiang Provincial Department of Commerce has formulated the *Action Plan for Creating Green Mall in Zhejiang Province*. Based on the Action, Zhejiang Federation of Commerce Trade further formulated the *Detailed Rules and Regulations on Creating Green Mall*, which is taken as the standards and accordance for evaluating “Green Mall of Zhejiang Province” .

Located in No. 1009 Gudun Road, West Lake District of Hangzhou, Longfor Hangzhou Zijing Paradise Walk was officially opened in Dec. 2019. The project has been actively advocating the creation of green mall since its opening, meeting the standards in 7 aspects, namely, management rules, energy conservation facilities, green supply chain, green service, green consume, green recycling, and assured consume, to meet the demands of consumers in term

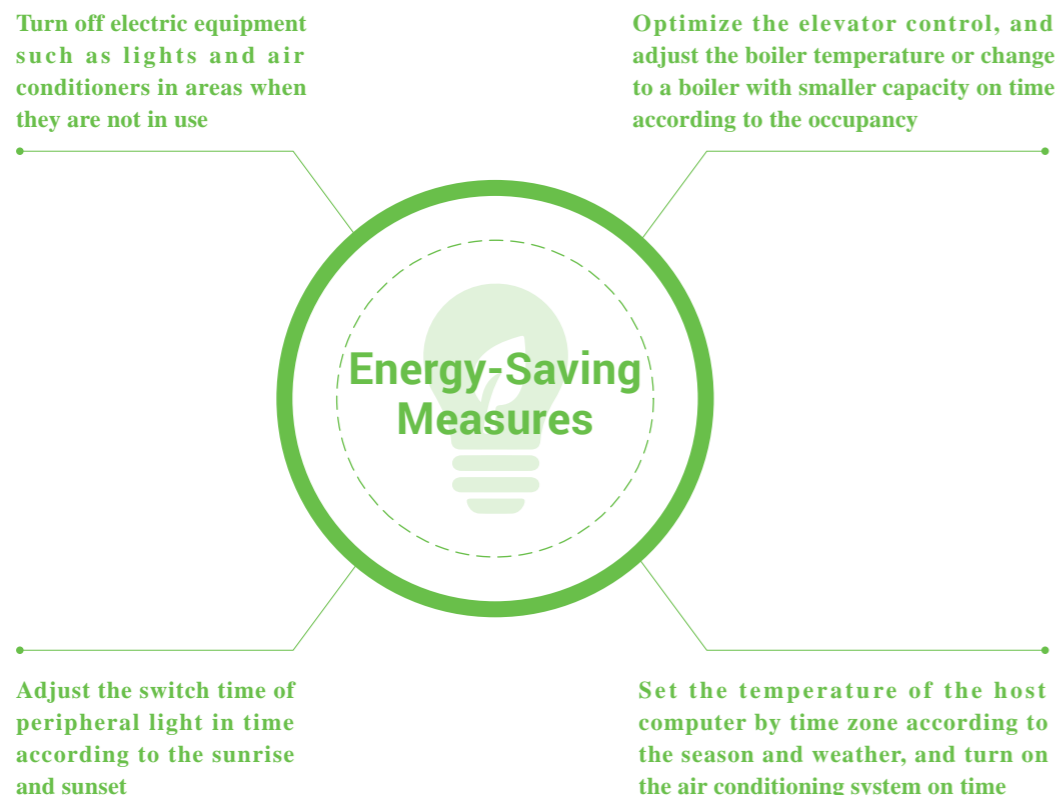
of green, environmental protection, healthy and high-quality. At the same time, we held the evaluation and launching meeting for green mall construction irregularly to make sure that all the staff can have an accurate acknowledgement of the construction. We also has established the Evaluation Leading Group of Green Mall Construction to carry out the concept from top to bottom.

In terms of energy-saving and cost-reducing, the mall has strictly carried out self-grading system on the project for basic situation as well as operation, environmental protection, energy and resources management and other aspects. After comprehensive evaluation and analysis, we decomposes the energy budget for the next year and works on reducing the energy consumption to the maximum extent.



► Green Mall Lecture

Hotels of the Group strictly implement various energy-saving measures and add relevant inspections to the duty manager's daily work inspection list. In 2020, the average carbon emission of each of the sold room has been lower than the 2019 emission levels.



The Average Carbon Emissions per Room Sold of the Hotel in 2020 and the Effectiveness of Emission Reductions

Hotel	Average carbon emissions per room sold (kgCO ₂ e)	Year-on-year rate of reduction(%)
Holiday Inn Express, Suzhou	7.51	23.1
Crowne Plaza, Hangzhou	32.22	14.4
Hotel Indigo, Shanghai	29.17	28.0
Holiday Inn Express, Hangzhou	25.45	0.4

Water Resources Management

The Group has many water facilities, such as shopping malls toilets and hotel bathrooms, facilities in landscapes and swimming pools, and cleaning equipments, etc. The Group emphasizes water resources management, and each business unit flexibly formulates and implements water efficiency plans to reduce water consumption effectively.

The Group's Water Resources Consumption in 2020

	Administration Offices	Operations					
		Projects under Construction	Residential Property Service	Commercial Operation	Rental Housing	Elderly Care	Offices & Hotels
Water Consumption (m ³)	2,120.54	17,409,000.00	9,031,620.04	2,333,144.90	27,486.00	21,683.00	352,086.65

Water Saving Measures



Water Management



Strictly monitor the water consumption of office and operating projects. The total annual water consumption of all commercial properties would be controlled, and will be broken down into various business processes. Regularly inspect and maintain water facilities and pipes to reduce waste such as running, spilling, dripping, and leaking. Remind employees to turn off the tap in time to save water through notice boards and other ways.

Water Saving Renovation



Install different water-saving devices, such as the inductive taps, frequency conversion pumps, etc., to automatically control the water supply volume according to the actual consumption.



Recycle

Cleaning water is used for landscape water system and watering the green. Vigorously promote rainwater storage tanks and make full use of rainwater for watering the green.

Green Office

In terms of green office, the Group has formulated *the Longfor Group Green Office Management Policies*, which clearly assigns the responsibility of green office management and supervision, and systematically standardizes the work of saving water, electricity and paper.



Water consumption

The total consumption would be checked, accounted and audited by engineers monthly.
 Reducing water waste by adding water saving device to toilet facility, enhancing the daily inspection, maintenance and management for water equipment and dealing with running, leaking, dropping situations timely.
 Post tips of saving water at the toilet, shower, pantry and other places to remind employees to take the initiative to develop a good habit of saving water.
 Proactively take measures and create conditions to promote the reuse and recycle of water resource.



Electricity consumption

Reasonable allocation of air conditioning on and off time, temperature, and lighting time of each area.
 Change incandescent bulbs to use high efficiency and conservation light as many as possible.
 Remind employees to use the computer, printer and other electronic devices properly.



Office supplies

Accelerate promoting paperless office, encourage the use of electronic documents and e-mails, amend documents on electronic device, and use electronic signature.
 Paper should be used with both sides except classified files and files involving client privacy.
 Specific personnel should be appointed to manage daily office supplies, with strict system on applying.



Device and materials management

Strengthen the management of various instruments and equipment, optimize the configuration, improve the utilization rate and use efficiency.
 Strictly control the purchase and use of consumables.
 Periodic maintenance of office equipments to extend the service life and improve the efficiency of resource use.



Green commuting

Promote online conferencing.
 Adjust the policies of travel subsidy and optimize the use of official cars, in order to decrease the mileages and corresponding carbon emissions from our employees.

Waste Management

The Group controls the waste discharge from the source, and adopts strict disposal control measures. During the reporting period, the Group's discharge of waste gases, waste water and industrial residue all met the national treatment standard.

All waste water produced by the Group is domestic sewage and is discharged into the municipal sewage pipe network and processed centrally as urban sewage. Fumes and exhaust gases produced during operation are mainly from catering. To deal with such kind of emissions, the Group has been monitoring the emission outlet automatically, installed two-stage fume purifiers to reduce gas emissions so to comply with relevant regulations.

Solid waste produced by the Group is mainly consumables of offices and project sites such as paper, office furniture and computers. According to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the Group has set up particular storage locations for hazardous waste such as printer cartridges and waste lamp tubes for recycling. For electronic waste, the Group abides by the *Administrative Measures for the Prevention and Control of Environmental Pollution by*

Electronic Waste, collects and professionally disposes of e-waste such as computer accessories and used batteries in different classification.

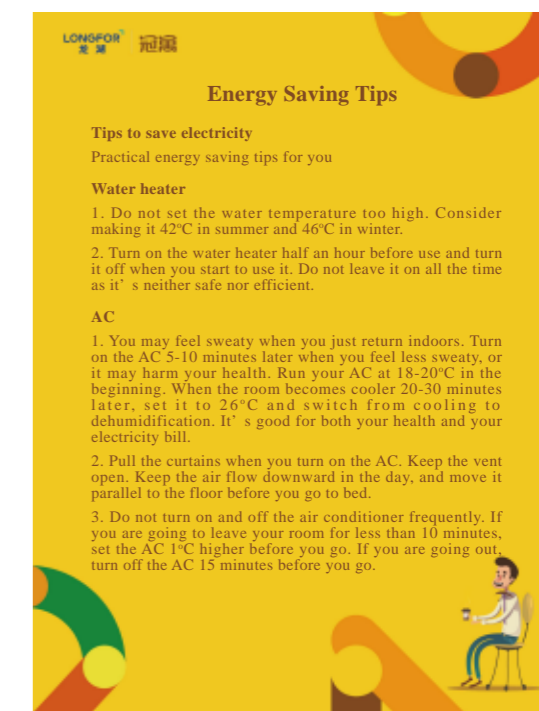
According to the *Notice on the Comprehensive Implementation of Domestic Waste Classification in Cities at the Prefectural Level and Above* issued by the Ministry of Housing and Urban-Rural Development and other departments. 46 major cities nationwide have completed establishing domestic waste classification and sorting systems in 2020. The Group collects and properly disposes of waste according to the different policies of each city across the whole country. Commercial property management formulated a *Waste Control and Management Operation Guide* to standardize waste classification and sorting, ensuring the waste is sorted safely and in right order. Meanwhile, the Group actively participates in publicizing the waste classification, adopting garbage classification models according to local conditions, and making contributions to build a resource-saving and environment-friendly society.

Green Leasing

Green leasing is an essential measure for the real estate industry to reduce carbon emissions and protect the environment. We hope that through green leasing, we can preserve the green earth and contribute to a more sustainable and greener future with the tenants.

The Group's shopping malls have reached an agreement with the tenants in the lease contract: the contracting parties will have an obligation to conduct green and environmentally friendly operations, such as distinguish recyclable and non-recyclable waste clearly, clean and classify kitchen waste properly, use environmental protection and energy-saving lightnings, configurate power switches in each district and promote the concept of energy saving.

Rental housing business has also agreed with tenants on water-saving measures in the *Goyoo Residents Convention*, and posted "Energy Saving Tips" in public areas to promote green environmental protection and sustainable development to tenants. In 2020, we signed a total of 135,000 agreements on *Goyoo Residents Convention* with our tenants.



Major Solid Waste Generated by the Group in 2020

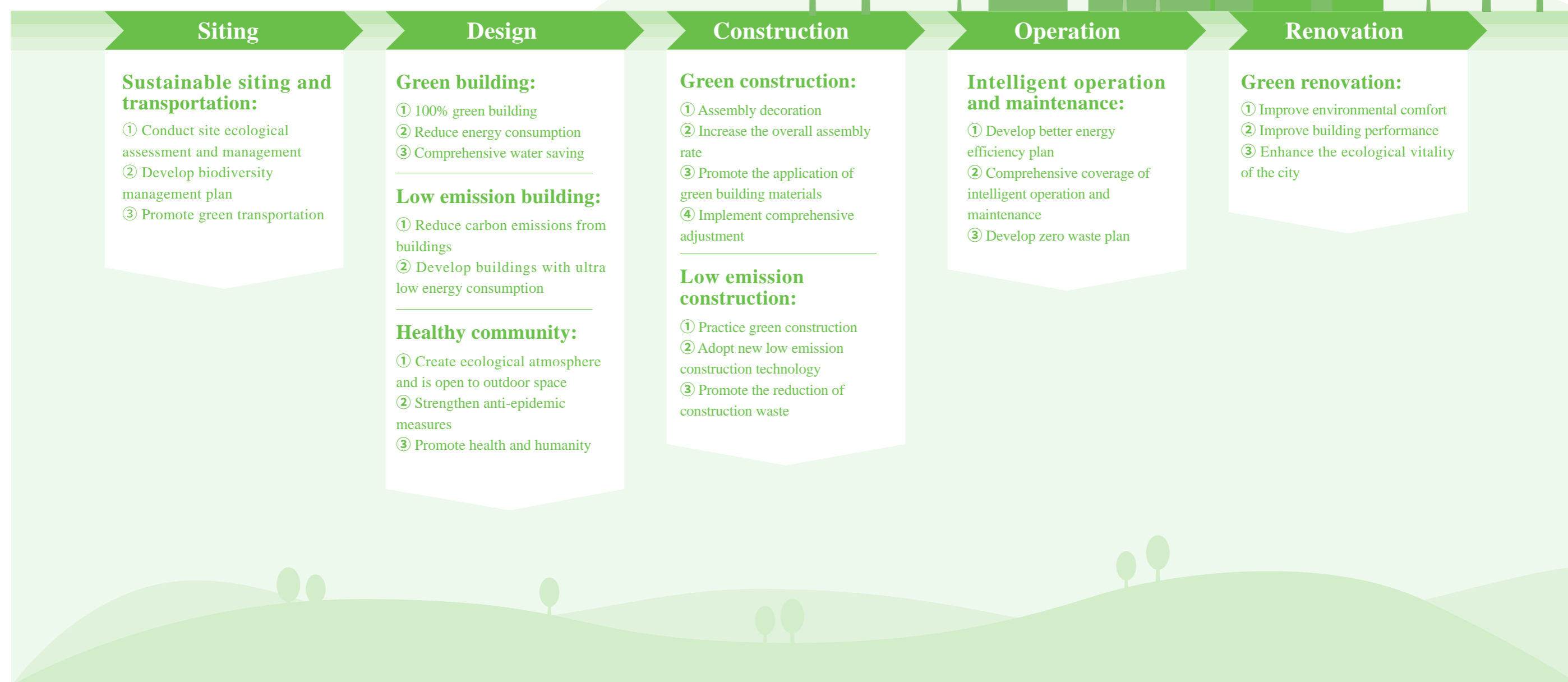
Types of the Waste		Administration Offices	Operations					
			Projects Under Construction	Residential Property Service	Commercial Operation	Rental Housing	Elderly Care	Offices & Hotels
Non-hazardous Waste	Office Paper (kg)	37,487.70	51,812.50	3,493.97	21,113.95	3,240.60	1,664.30	7,085.40
	Domestic Waste (tons)	1,840.75	447.66	1,650.00	/	1,145.25	156.90	486.00
	Earthwork/Muck (tons)	/	31,706,307.05	/	/	/	/	12.00
	Housing Decoration/Construction /Demolition Waste (tons)	/	/	/	19.00	2,150.00	7.50	303.00
	Others (tons) ¹	35.52	0.14	76,555.55	4.37	/	2.06	48.35
Hazardous Waste	Toner Cartridges and Ink Cartridges (kg)	444.94	692.22	349.34	356.05	1,880.00	38.72	223.50
	Waste lamps/bulbs (kg)	/	/	28,770.32	101.98	1,410.00	10.61	65.00
	Others (tons) ²	1.97	/	1,520.97	0.46	14.48	4.33	2.28

1: Including office furniture, garden waste, metal, glass, batteries

2: Including used computers, grease trap waste, plastics, and waste oil

7.4 Green and Low-Carbon Development Strategies

The Group has formulated product development strategies of low carbon, green, and healthy. The whole strategies focus on the following three themes: low carbon, green, and healthy, which combined sustainable development with the life-cycle of buildings. The Group has completed the renewal of low carbon, green and healthy product systems subdivided into eight special projects and twenty-four measures. With setting up the goal of having green construction and 100% green and healthy buildings in the future, we will put more efforts to the exploration of ultra low energy consumption design, low emission buildings, smart operation and maintenance, and other aspect of building a healthy community, achieved the goal of low-carbon, green and healthy development, and strive to become the leading space construction service company within the industry.



Transit-Oriented Development (TOD) with Low Carbon Concept

With current experience in TOD project, Longfor Group offers healthy and low carbon TOD projects by integrating the concept of low-carbon, green and healthy development into the design in the basic principles of TOD design, namely, pedestrian priority, bicycle lane net, dense streets planning, public transportation, multi-functional community, land development and public transport capacity, short-distance transportation, standardized road and parking, as well as low-carbon city, eco-friendly city, and healthy city.



We monitor and control carbon emission during life cycle of TOD, follow the national requirements for energy-saving and emission reduction, and achieve the company's goal of carbon neutral



BE KIND TO EMPLOYEES

Cultivate better, grow together

The Group has consistently paid attention to talent development, training, and employee care. Adhering to the employer value proposition of “Longfor for Me Forever”, we fully respect and protect the basic rights and interests of every employee, and practice a fair employment mechanism. Through a completed talent training system and occupational safety management system, we provide employees with a safe, comfortable, and diversified working environment with room for development. We also constantly improve the salary management system, employee care, and welfare policies to enhance employees’ sense of happiness and belonging.

08

ESG topics:

Occupational safety and health
Employee rights protection
Staff career development

SDGs topics:



8.1 Employment Equity

The Group strictly complies with the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. The Group has formulated internal rules and regulations like the *Group Talent Promotion Management Measures* and *Group Recruitment Management Guidelines*, to adhere to equality and compliance employment, improve a reasonable and diversified remuneration mechanism, and protect all employees' legitimate rights and interests.

The Group resists any forms of employment of minors under the age of 16 and forced labor, and treats employees equally with different genders, ages, nationalities, ethnicities, and cultural backgrounds. The Group provides equal job opportunities for all employees.

The Group has always supported the standards and requirements for respecting and protecting human rights advocated by the United Nations and the *Universal Declaration of Human Rights* to ensure that employees' fundamental human rights are respected, and prevent human rights violations from occurring. The Group implements equal salary for male and female employees for the same position and eliminates any forms of discrimination at work. If employees encounter

discriminatory behaviors, they can promptly report to the human resources department. After an independent investigation by the internal audit department, the management will follow up and deal with it, and they will make sure that the employees' requirements are reasonably resolved.

The Group formulated *Training Manuals*, *Recruitment Manual* and *Interviewer Certification Training Materials* to fully standardize the recruitment process. In 2020, we carried out interviewer empowerment training. Through detailed training for interviewers, we explained the recruitment process, structured interview requirements, etc., to build recruitment principles for interviewers in line with Longfor's talent philosophy and ensure consistent recruitment standards, and guarantee compliance in all aspects.

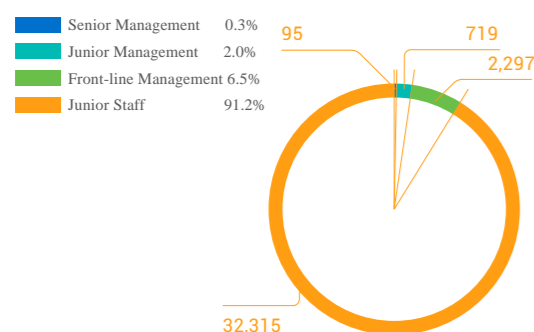
By 31st December 2020

Total number of employees

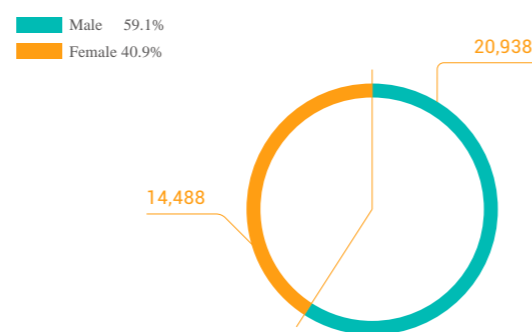
35,426

Number of Employees Divided by Position, Gender, Age, and Region in 2020

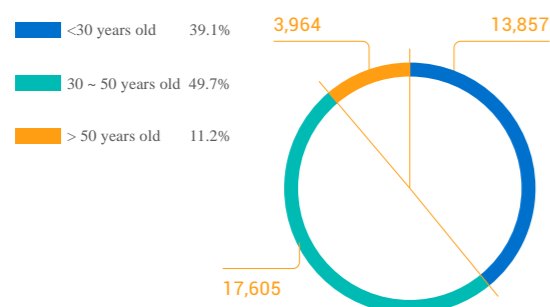
By Position



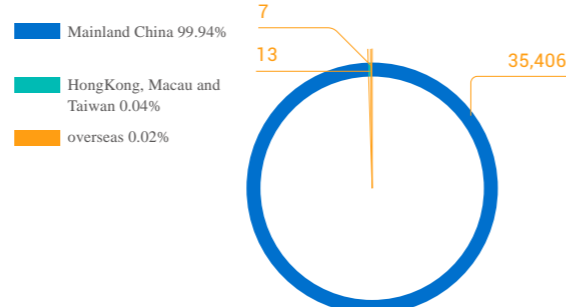
By Gender



By Age



By Region



Employee Turnover Rate in 2020

Type		Turnover Rate
Group Average		24.84%
By Business Type	Property Development Commercial Property, Rental Housing	20.61%
	Longfor Smart Service	33.39%

8.2 Talent Cultivation

The Group attaches great importance to employees' career development, provides employees with a good career development system, clarifies the promotion process, and provides diversified career development opportunities. Meanwhile, the Group offers targeted

training programs for different positions, establishes a complete employee performance appraisal system, improving the employees' skills, and motivating their enthusiasm for work.

Well-Completed Career Development

The Group has established a complete development and promotion system to clarify the career development path of employees. We strictly follow the internal systems, the *Employee Occupational Sequence and Occupational Level Management Measures*, to ensure the fairness and transparency in a promotion. We adopt a performance appraisal mechanism to make promotion evaluation decisions for employees through "promotion defense" and HR Planning Meetings.

We provide employees with diversified career development opportunities, vigorously promote the talent water

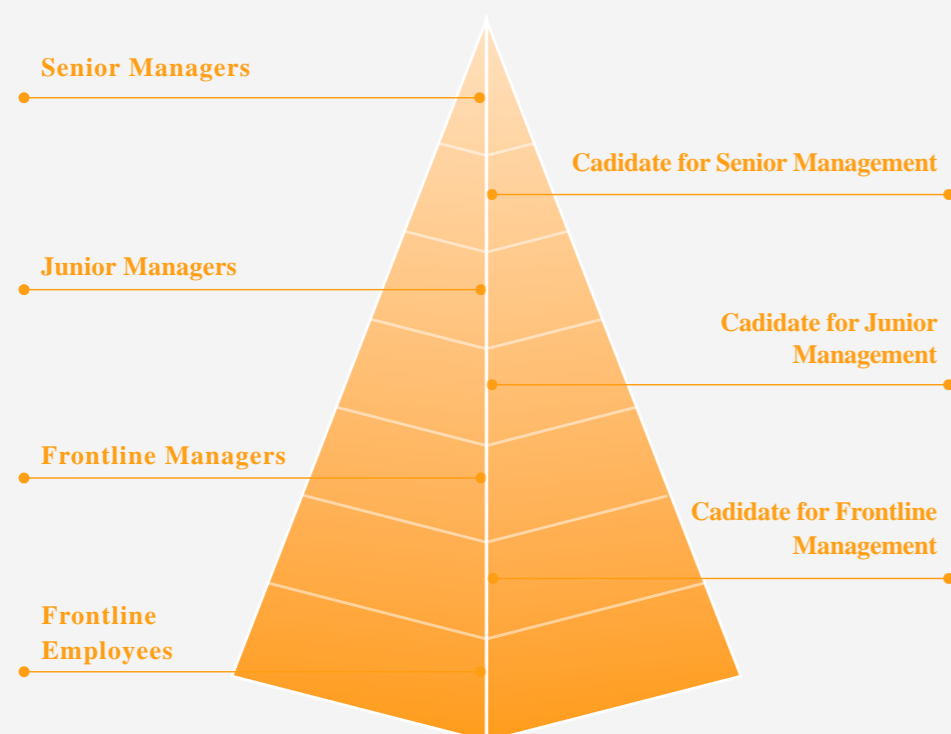
mechanism, and encourage employees to carry out the "3 crosses" of cross regional, cross-channel, and cross-functionality. Employees can apply for jobs through the internal "Flowing Water" system, and they can be shifted after successful interviews by relevant departments. In 2020, the Group has increased the promotion and incentives for high-potential talents, and encouraged 3,150 employees to carry out the "3 crosses", forming a sustainable talent management mechanism that makes full use of talents.

Comprehensive Talent Training

The Group has established a comprehensive training system for employees of different levels to continue their learning:

- Flexible studying platform: various practical career lessons for employees to gain more expertise and reinforce their professional abilities. Annual learning counts amounted to 3.67 million person time, with 599,000 hours recorded.
- Ever-developing leadership development system: through online / offline courses, coaching and management practices, we focus on the improvement of leaders and solving practical business and management challenges, in order to improve team management abilities and improve team efficiency.
- Fostering capabilities in key positions: Longfor has established human resource hierarchies from employees to executives, and has provided key trainings for employees on essential positions.

Personnel Echelon Training Project



Online Learning Platform: New Dragon Gate E-stack

Induction Program: course development, case selection, lecturer empowerment, incentives

In addition, the Group strives to create a more flexible and convenient employee training and learning platform and implements a training model that combines online and offline training. The Group established the “Longfor Leadership Development Center” to promote the empowerment of internal lecturers. The center has trained more than 1,573 internal lecturers and launched hundreds of offline courses based on the center’s eight functional colleges to output energy for its talent needs. The online training covers all companies and departments, and is mainly based on online learning platforms and live broadcasts.

In 2020	As of the end of 2020		By the end of 2020
the online learning platform added	total number of learners on the learning platform	with an increase of	total amount invested in employee training
2,200 self-learned courses	3.676 _{mn ppl}	521% ↑ compared to 2019	RMB 19.22 _{mn}
of which the online learning platform has been established	total number of live broadcast participants	with an increase of	total number of trainees
4,200+ self-produced online courses	166,000 _{ppl}	251% ↑ compared to 2019	41,276

Online Training in 2020

Total Online Training Duration

439,097 hrs

Types of Employee		Percentage of Training	Hours of Training per Capita
By Gender	Male	88.01%	9.4585
	Female	84.30%	8.8967
By Employee Type	Senior Management	96.00%	0.5245
	Junior Management	96.55%	8.7631
	Entry-level Employees	85.41%	9.2934

Offline Training in 2020

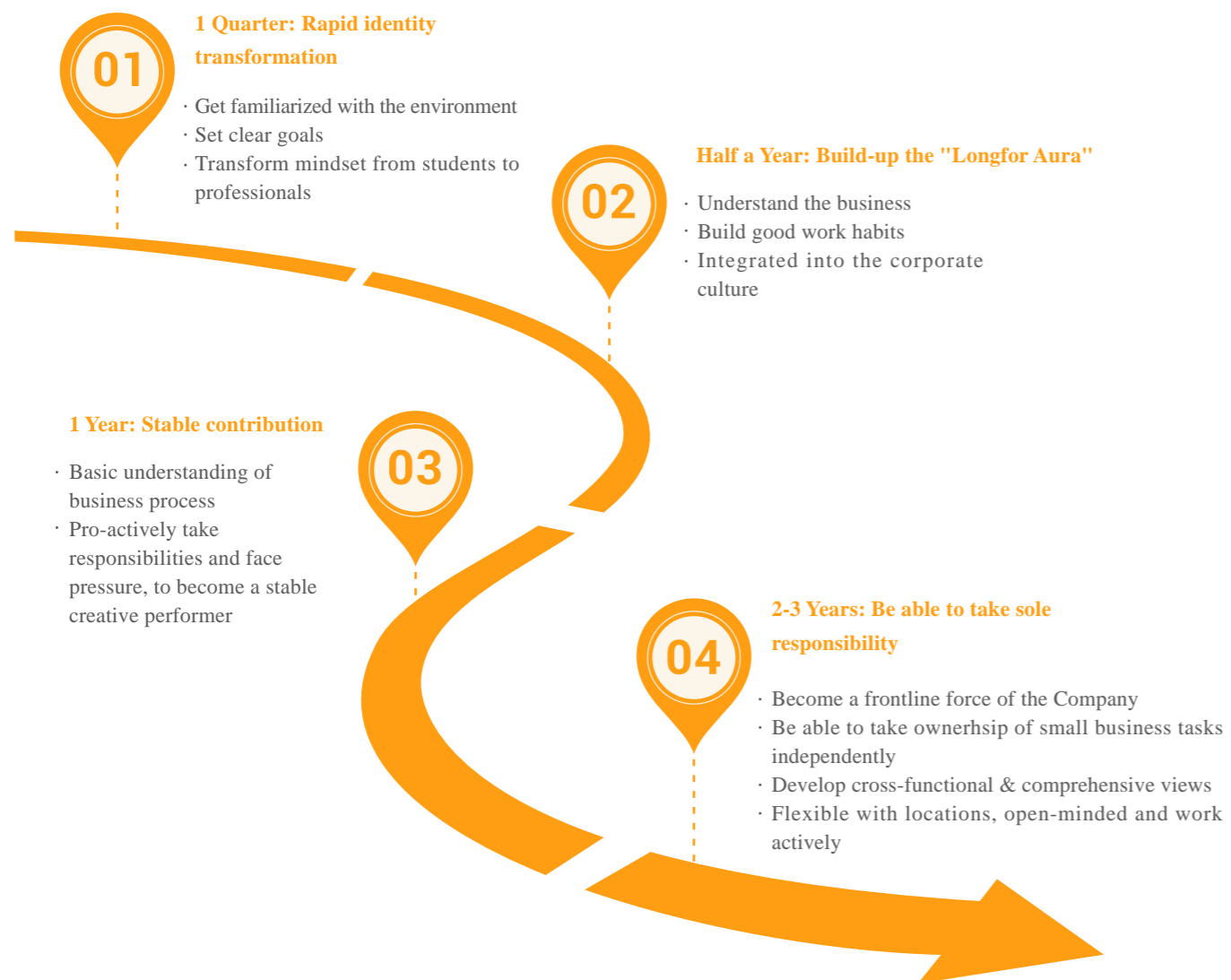
Total Offline Training Duration

159,809 hrs

Types of Employee		Percentage of Training	Hours of Training per Capita
By Gender	Male	23.36%	3.66
	Female	20.15%	2.93
By Employee Type	Senior Management	30.00%	2.64
	Junior Management	50.36%	8.64
	Entry-level Employees	19.09%	2.82

“Management Trainee” Program to Cultivate the Future Leaders

The management trainee program is a 24-month early development plan tailored by the Group for fresh graduates, which aims to promote the formation of Longfor's internal talent flow. The plan follows the principle of “70-20-10” and establishes a comprehensive training system. In view of the characteristics of the Group's diversified businesses, the management trainees will take the form of rotation after joining the Company to gain an in-depth understanding of the content of the product at each stage of investment, design, construction, marketing, and delivery, cultivate comprehensive view, raise management awareness for future business leadership.



“70-20-10” Principles

70

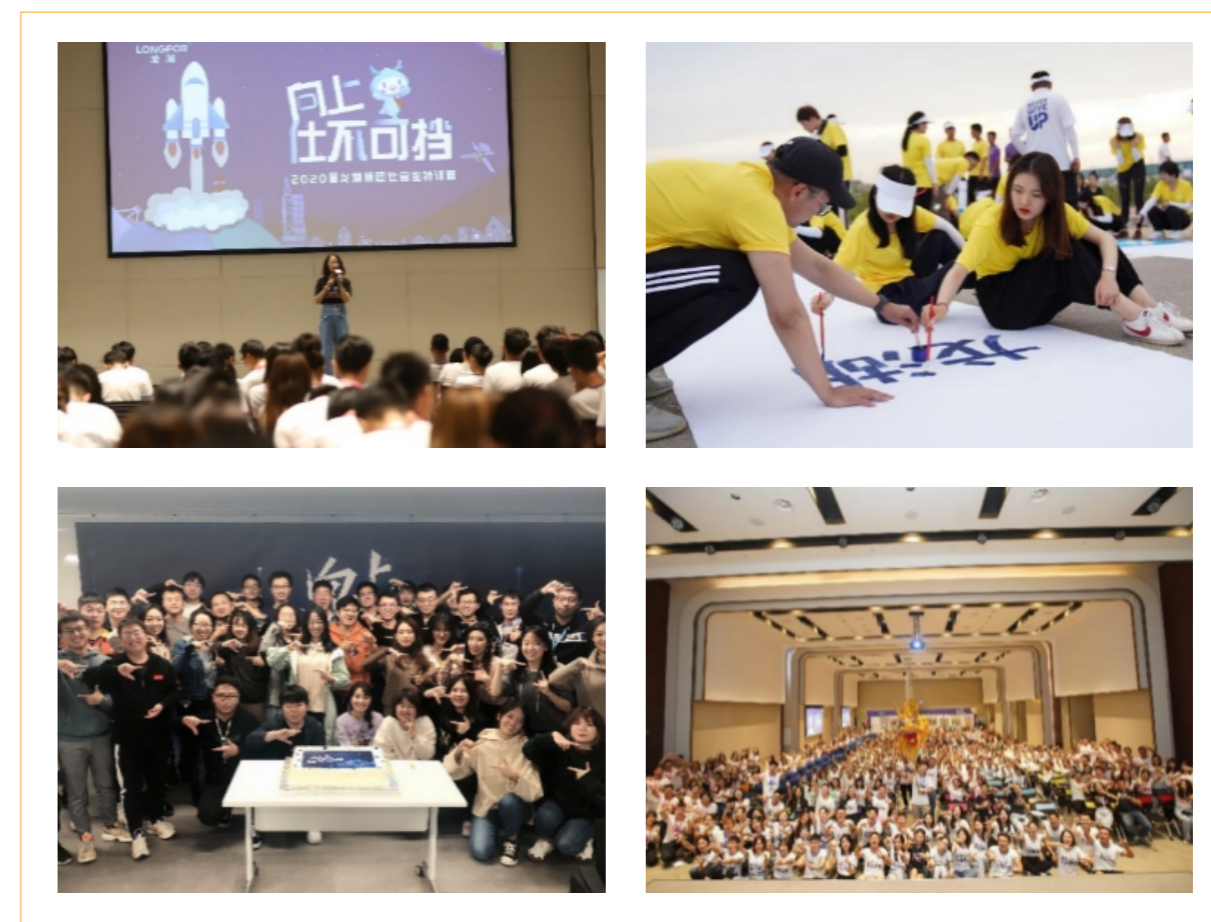
70% comes from the work itself: delegate challenging jobs to the management trainees. High-performing and high potential trainees can be appointed with the willing to pay for their possible mistakes.

20

20% comes from good mentors: The mentor system will assign each management trainee an experienced and highly capable mentor, and conduct targeted trainings for those mentors.

10

10% comes from classroom training and various discussions: The management trainees will receive several training camps from the Group and multiple business sectors and functions in the first two years of their employment and will participate in various forms of experience sharing sessions.



► Management Trainees Collective Training Activities

► Leadership Training Program to Build a Bridge Between Corporate Strategy and Professional Talents

The Leadership Enhancement Program aims to improve middle and senior management's business thinking, strategic management, and organizational talent management capabilities, and to promote the improvement of organizational capabilities and competitiveness so as to support business continuity and healthy growth.

As of the end of 2020

the group has held **13** leadership

trainings in **11** regions.

Performance Management

The Group has formulated the *Measures for the Management of Performance Rating Evaluation* to standardize the performance evaluation rating and the standards for employee career, remuneration, development, etc., to improve performance management. The Group rewards employees with outstanding performance and stimulates their innovation and enthusiasm by closely aligning the performance of the employees and the Group. The Group attaches great importance to the valued dedication of every employee. We have formulated *the Power of Role Model – Measures for Instant Incentives* and *Measures for Annual Award Management of the Group* to commend model employees. Meanwhile, the Group awards long-term service awards to employees who have served in the Company for 10 and 20 years to thank for their long-term loyal service and contribution to the Company.



► Long-Term Service Award

8.3 People-oriented

The Group has created a warm and caring omni-directional care system for employees. On the basis of competitive and comprehensive remuneration and welfare system, the Group has carried out diversified humanistic care activities, encouraging and advocating a happy working environment.

Corporate Culture

Whether in the old days or in the future, corporate culture has always been the core competitive edge of Longfor. The spirit expressed by "one mission, four core values and ten principles" is the direction and driving force to guide to move on. During those years, the efforts in corporate culture produced a series of unique measures to develop Longfor's culture around communication and promotion, practice and inheritance, introspection and inspiration.

1. By exhibiting true stories that happened to our employees, such as Longfor BBS, interactions between managers and employees, and personal story shared by employees, we compiled books named *At Longfor, Short Stories of Longfor Culture I* and *At Longfor, Short Stories of Longfor Culture II* to explain Longfor's culture.



2. Created a series of cultural products with unique characteristics of Longfor to encourage employees to recognize, practice and be blended in Longfor culture in a subtle manner.



3. Longfor BBS, Longfor's internal forum, encourages employees to express rational, mature and constructive opinions with a matter-of-fact and well-founded attitude, endowing every employee with the right to speak equally and enhancing employee cohesion.



Remuneration and Benefits

The Group upholds the value-oriented remuneration management principle and provides employees with competitive salary levels. We have a well-completed welfare system, strictly abides by national laws and regulations, and provides all employees with five mandatory insurance schemes and a housing fund.



Care for Employees

The Group perceives the need from each and every employee wholeheartedly, builds comprehensive and autonomously-managed communication system that enhances employees' recognition of the Group. We pay attention to every employee's physical and mental health and carry out various team-building activities, hoping to direct employees towards a healthy and sustainable lifestyle.

Employer Brand

To obtain comprehensive and systematic employee feedback, the Group conducts annual employee engagement survey by third party. We formulate and implement improvement plans on time based on employee feedback, aiming to improve their satisfaction.



On 29th December 2020, the Group won the title of “2020 Best Employer - China Real Estate Sector” Award at the “Co-creation Organizational Power-2020 China Real Estate Organization Management Summit” which was jointly organized by Yihan Think Tank and Feasibility Research Think Tank. The award acknowledged the Group's influence as an employer from the three dimensions of “operational health”, “organizational health”, and “brand health”.



Physical and Mental Care

The Group cares for the physical and mental health of employees through the annual physical examination and commercial insurance VIP registration, online consultation, and EAP (Work-Life Counseling Program) psychological counseling services, and provides employees with overall solutions for their health management.

We provide employees with annual physical examinations regularly, including one-stop services, through the full cycle of the examination. Family members can also enjoy the same packages and services at preferential prices. After the physical examination, professional doctors will not only interpret the current physical examination report but also can generate comparisons and trends of crucial physical examination indicators based on the physical examination results over the years in order to give professional health management and disease prevention suggestions.

We also help employees and their family members to cope with the psychological pressure from work and life. The Group hires consultants from professional third-party institutions to provide telephonic or in-person EAP psychological consultation services for employees and their families, covering work pressure, career, marriage, love, parent-child, emotional management, etc. Besides, the Group conducts psychological lectures that tailored the needs of companies located in various regions. In 2020, the Group implemented a total of 422 EAP consultations and organized more than 15 online/offline sessions in various regions.

During the COVID-19 pandemic in 2020, in addition to the necessary anti-epidemic equipment and materials support, the Group has taken various measures to protect the physical and mental health of employees in all aspects:

-In conjunction with EAP suppliers, promptly launched psychological protection guidance and online live courses to employees / management

-Opened a 7*24 hour hotline, to provide employees and their families with professional psychological counseling through emotional depression

-Launched online consultation services to provide employees and their families with one-on-one disease prevention, epidemic prevention, disease diagnosis and treatment services

Employees' Activities

Advocating the philosophy of “work-life balance” , the Group has organized important festival related activities every year from physical, spiritual, cultural and other aspects, including International Woman’ s Day, rice dumpling-making competition, Spring Festival couplet writing and other team building activities. Also, the mid-year team-building activities organized by the Group not only exercises the physical fitness of employees and also enhances their cohesion and sense of belonging.



► Various Forms of Corporate Team Building Activities

8.4 Safety and Health

The Group always puts the employees’ safety and health as the top priority, and continues to improve the safety management structure and policies. Meanwhile, in order to strengthen project’s safety operation management and construction safety management, the Group has carried out various safety hazards investigation, safety management, and conducted employee safety awareness trainings, to ensure the safety and health of all employees.

Safety Production Management

The Group always adheres to “safety first” as the core, strictly abided by *the Work Safety Law of the People's Republic of China*, *Construction Law of the People's Republic of China*, and *the Administrative Regulations on the Work Safety of Construction Projects*, and continues to improve the safety production management system. We set up safety management positions at both Group level and regional companies to clarify the subjects of safety responsibility and supervise the implementation of daily safety management measures. As of December 31, 2020, no serious injuries or above and safety production accident occurred in the Group throughout the year, and the number of work-related deaths and injuries was 0.

Safety Management Structure

The Group attaches great importance to the setting of safety management structure, clearly clarifying the security personnel configuration standards. For regional companies with more than 5 projects under construction or construction area of more than 1 million m², at least one professional and full-time safety management personnel shall be staffed.

In 2021, under the background of high satisfaction and keeping the security baseline, the Group continues to strengthen the safety management system of construction projects and improve the setting standards in *the Guideline for Group Project Functional Organizational Structure and Staffing Standards*. For companies with more than 3 projects under construction or construction area of over 500,000 m² should be staffed with at least one professional and full-time safety management personnel. Through the measures above, the safety force of the Group has been continuously strengthened, and the safety culture atmosphere of the regional company has been continuously improved.

Safety Management System

The Group developed a three-level safety management system, namely Group-level, regional company-level, and project-level. To ensure construction safety, construction staff need to receive training and passes the assessment, construction projects are examined at acceptance with compliance with rules and regulations strictly enforced, and evaluation is conducted after completion. We follow these procedures for orderly, controllable production safety management.

To improve our safety system, we developed internal rules and regulations such as *the Longfor Group Construction Safety Management Measures for Projects Under Construction*, *Longfor Group Safe and Civilized Construction Management Standardization Atlas*, and *Longfor Group Engineering Safety Management System* to establish the standards of key safety management factors, clarify management requirements and responsibilities in details, standardize management behavior, and establish a complete safety management system to support the projects.

Routine Safety Management			
Safety management structure	Safety personnel assessment	Safety responsibilities defined in contracts	Management and control included in contracts
Patents on safety programs	Safety inspections	Safety meetings	Morning meetings on safety
Stage-specific management and control mechanism		Emergency response plans	

Major Hazard Management			
Large equipment management	Foundation pit safety management	Tall & large formwork management	Fire safety management

The Group established a “Star and Punishment” mechanism to encourage regional companies improve their on-site safety standards, strengthen the compliance awareness of our employees and enhance their awe of safety.

Reward	Punishment
Reward for AAA construction projects	Punishment for non-compliance with safety requirements
Reward for high score (92/95) in third-party inspection	Punishment for building foundation management failure
Reward for excellent implementation of the Atlas	Punishment for girderless floor management failure
	Punishment for construction shutdown
	Punishment for safety accident
	Punishment for problems identified during unannounced inspection

Safety Management Behavior System

The Group makes continuous efforts to enhance safety management and the corresponding procedures, including clarifying personal accountability, improving contract management, enhancing safety education, organizing safety meetings, conducting safety inspections, strengthening the management of major hazard sources, implementing main responsibility management, and controlling red-line items.

Personal accountability	Assign dedicated safety officers and incorporate their responsibilities into the management behavior management scheme throughout the project life cycle.
Contract management	Clearly define safety management standards and requirements in the contract for the implementation of the Standardization Atlas.
Safety education	Provide safety education during morning meetings; promote the safety self-examination routine and morning meeting on safety to all projects.
Safety meeting	Each regional company holds management meetings and monthly safety meetings
Safety inspection	Upgrade third-party safety inspection with updated inspection items and clearly defined key risk factors.
Management of major hazard sources	Clarify the four risk management standards and principles, include tall & large formwork, fire safety, and deep foundation pit management requirements into the existing system.
Main responsibility management	Prioritize main responsibility risk stage management, develop management checklists, arrange more frequent safety inspections, ensure talent reserve, etc.
Red-line items management	Optimize and adjust 9 red-line items, clarify the content of management, and incorporate all red-line items into the reward and punishment program.

► Case: Qingdao company to organize morning meetings on safety

To further improve sub-contractor safety management and improve the safety awareness of their employees, especially front-line operators, our Qingdao company promoted the safety self-examination routine and morning meeting on safety to all projects.

■ Morning meeting on safety

Every day, operators have a morning meeting to have their personal protective equipment checked, be warned against the safety risks they may face, and be familiarized with protective and control measures, and carry out accident case warning education before they start to work. The meeting aims at enhancing the safety techniques and awareness of front-line workers.

■ Safety self-examination routine

This is an exercise that combines slogans and movements to check the personal protective equipment of front-line workers and warn them against potential hazards in their operating environment. A stronger safety culture is fostered through training and the development of a common sense of safety.



► Workers are having their morning meeting on safety

► **Wuhan Jiangchen Paradise Walk was awarded the title of “AAA Construction Site” by MOC**

In 2020, Longfor was listed among construction projects for construction safety standardization sharing and exchange in 2020 by the Construction Safety and Machinery Sub-Council of the China Construction Industry Association, which affirmed our efforts into promoting construction safety standardization.

In addition, the Jiangchen Paradise Walk project on Qingnian Road, Wuhan, was awarded “AAA Construction Site” for its well-established safety assurance systems, strict compliance with safe, civilized construction standards, and inclusive safety training in the Construction Safety Standardization Sites of Construction Projects in 2020 event organized by the Chinese Ministry of Housing and Urban-Rural Development.



Safety Production Inspection

The Group has carried out various safety hazard investigations in an all-around way, and the Group actively urges them to rectify and correct the hidden dangers detected on time. The Group requires the use of signboards that meet the requirements of *the Safety Signs and Guidelines for Use (GB2894-2008)* during the construction process, and a separated major hazard source notification sign next to the safe and civilized construction information signs to remind the construction personnel of the hazard sources involved, when it happens, and the estimated time of removing the hazard.

Besides, the Group regularly organizes third-party safety inspections or special safety inspections to ensure the safety of the entire process. For pre-caution purpose, Longfor has established a three-level emergency plan management system for regional companies, projects, and general contractors to clarify the emergency management operation process and the corresponding responsibilities of each responsible person.



► Safety Signs



► Public Board of Hazard Sources

Safety Education

Combined with safety theme activities such as production week, safety production month, etc., the Group actively carries out safety education activities to all employees, to effectively improve employees' safety awareness and risk prevention capabilities.

The Group breaks through the traditional safety education and publicity methods, set up a safety experience zone, and open up a new three-dimensional experience of understanding and

experiencing accidents. Construction practitioners can experience the occurrence process and consequences of dangerous behaviors on the construction site in person through specific activities in actual or simulated environments and reflect on or gain the ability to improve their knowledge and understanding related to safety work.



► Safety Experience Zone



In 2020

the Group adopted flexible forms such as live broadcasts and online courses for safety innovation training. Among them, there were

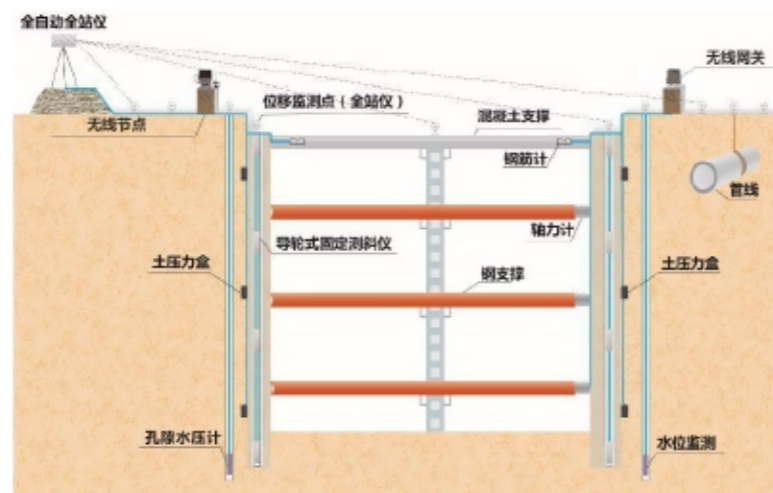
a total of



Technology Empowers Safe Construction

We are dedicated to improving our construction safety capabilities with technology. We piloted the IoT-based foundation pit monitoring technology. The foundation pit safety assessment system allows us to analyze project data in real-time and makes improvements to address the risks identified in the construction process. The tower crane management system enables us to monitor the operator/machine in real-time. It provides data in an accurate, rigorous, and consistent manner to improve our overall safety management levels.

- **Throw-in water level gauge**
Real-time monitoring of groundwater level
- **Axial force meter**
Real-time monitoring of support axial force
- **Rebar stress meter**
Real-time monitoring of structural stress of supporting piles (walls)
- **Automatic electronic total station**
Real-time monitoring of the top horizontal displacement of the supporting structure
- **Guide pulley fixed inclinometer**
Real-time monitoring of deep horizontal displacement
- **Wireless node & gateway**
Real-time upload of monitoring data
- **Audible visual alarm**
Audible visual alarm when the data collected exceed critical value
- **Management on phone**
Alarm information pushed to the manager's mobile phone
- **Management on computer**
View the sites under supervision on the smart construction site platform



► Functions of the foundation pit system

Occupational Health and Safety

The Group attaches great importance to its employees' health, complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Occupational Health and Safety Management System Certification*, and other laws and regulations, and establishes a targeted employee health and safety management system based on business characteristics. The Group's property management is based on the *Longfor Property Employee Safety Management* system, clarifying protective measures and safety precautions, and invites third-party companies to do Occupational Health and Safety Management System Certification (OHSAS18001) every year.

For people involved in engineering construction, the Group provides them with personal safety protection equipment that meet national standards. It combines employees' work methods and working conditions to provide appropriate and adequate labor protection equipment for occupational disease protection, including head protection equipment, respiratory protection equipment, and hearing protection products, etc. In addition, the Group guarantees the healthy level of the employees' office

environment by adjusting the best indoor temperature, ventilation system, air quality, and lighting in the office premises.

During the epidemic, we tried our best to do all kinds of protection work to ensure the health and safety of everyone in Longfor. The Group purchased masks, infrared temperature guns, and other materials at the earliest time and dispatched them to front-line positions on time. The Company's various channels and functions moved quickly and established a security team. The Group installed thermal scanners at the office building entrance to identify employees and visitors swiftly with abnormal body temperatures. Besides, the Group uses innovative office software to connect to the office building's central HVAC system so that it can automatically replace the air filter regularly. It also conducted regular inspections on buildings installed with a central HVAC system with disinfection and sterilization capabilities to ensure the facility's smooth operation to prevent cross-infection in the office area.

Tower crane structural information	Tower crane operation information	Tower crane safety equipment information
Weight control Verticality Bolt loosening, main hoist failure Low speed gear failure	Overload Inclining Improper brake	Wind speed measuring device effectiveness Torque limiting device effectiveness

Functions of the major hazard sources monitoring system

Track tower cranes working in hazardous environments and ensure the effectiveness of safety measures



Summarize management experience and improve management levels

Comply with regulations and eliminate new risks



Standardize operator behavior to enhance safety



► Smart Office Software

BE KIND TO SOCIETY

Kindness as the seed,
grow a great future

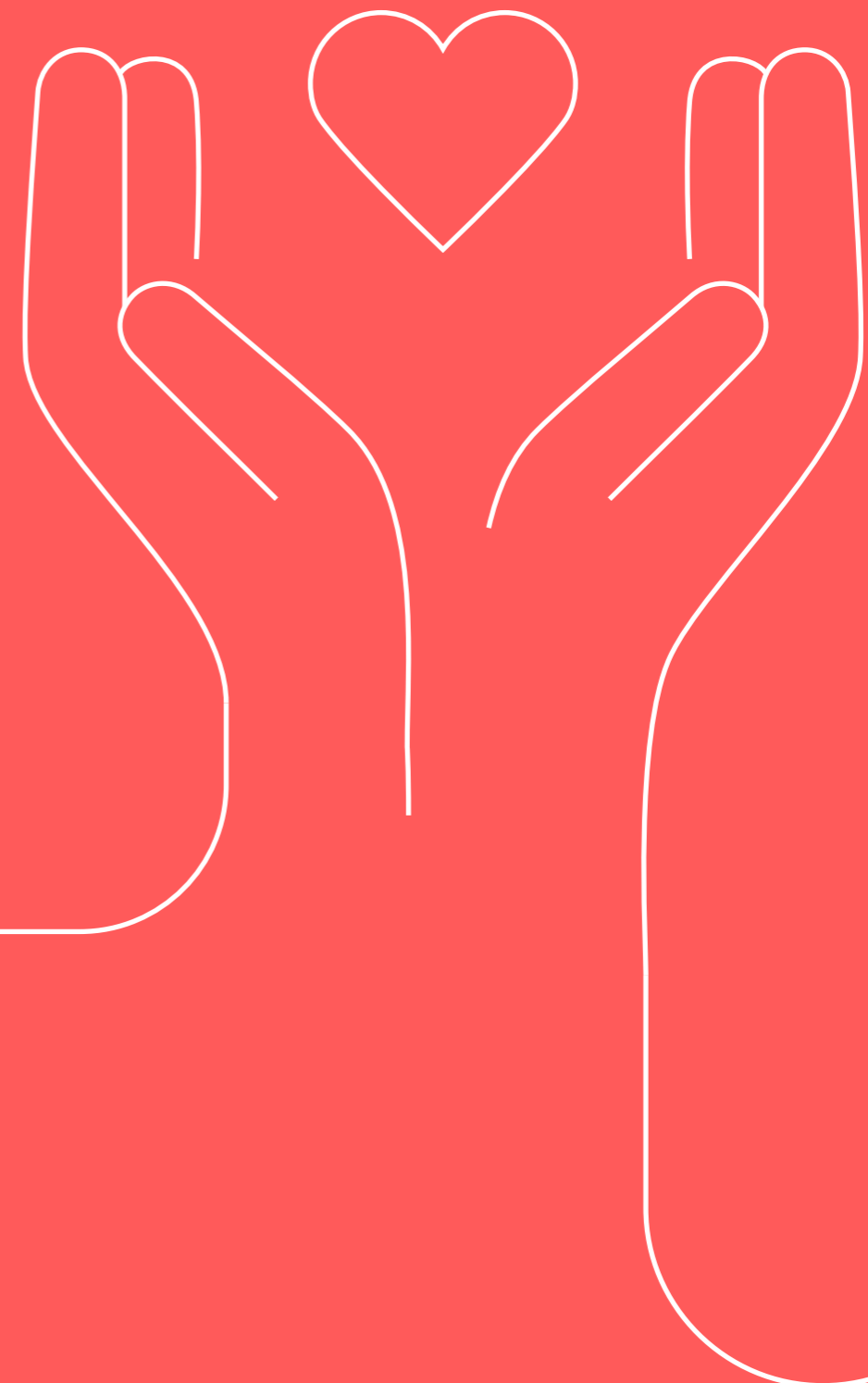
The Group upholds the concept of “Treat the Society Good”, by actively devoting itself to public welfare undertakings, taking the corporate social responsibility continuously, help the society to develop healthier in a right order.

09

ESG topics:

Supply chain management
Community communication and integration
Industry development
Charity

SDGs topics:



Topic: Preserving the Strength of “Kindness” with Anti-epidemic Actions

When facing the epidemic in 2020, Longfor Group had paid close attention to the situation regarding the spread of the epidemic. From actively donating to providing quarantined shelters for returnees. Fighting the epidemic and resuming work to ensure tenants' safety to reducing or exempting tenants' rents, we are all taking actions to fulfill our commitment of be Kind to the Society.

Immediate Support to the Front-line and Active Donation

During the 2020 pandemic, the Group and the chairperson, Wu Yajun personally donated a total of

RMB **35** million

in cash and medical supplies to the Wuhan New Pneumonia Prevention and Control Headquarters

Longfor Group's Chairperson, Ms. Wu Yajun, was awarded the

National Advanced Individual in the Private Economy in fighting the COVID-19 Pandemic

collectively by the United Front Work Department of the Central Committee, the Ministry of Industry and Information Technology, the State Administration of Market regulations, and the All-China Federation of Industry and Commerce.

The Group joined hands with the Shanghai Fosun Charity Foundation to rejoin the global force of anti-pandemic actions by donating medical protection materials worthing

RMB **8** million

to help countries severely affected by the epidemic, such as Italy, South Korea, the United States, the United Kingdom, and France.

The medical supplies donated to the New York, San Francisco consulates and San Jose Hospitals were approximately

RMB **1.04** million



Fighting the Epidemic, Longfor Rental Housing Provided a Harbor to Stay

After receiving a letter of requisition from the Heping District of Tianjin to use Goyoo as quarantine area for students back from overseas, Longfor Tianjin Goyoo responded quickly and established six special emergency teams to complete the transfer of all tenants as quickly as possible, prepared inventory and disinfection of all supplies and equipment in the room, as well as preparing the inspection and maintenance of electrical appliances, providing a safe and warm harbor for quarantined people.



Epidemic Prevention of from Longfor Tianjin Goyoo

After the quarantined people successfully moved in, Longfor Goyoo launched various heart-warming measures and guaranteed the observation points' service 24 hours a day. The staff of Goyoo would regularly broadcast to remind those quarantiners of opening the door to take meals, in case the international students can't receive meals in time due to take online class. We appeased and encouraged the quarantined people through the phone calls and WeChat messages, and celebrated their birthdays for quarantine personnel by preparing small gifts, handwritten letters, etc.

Take Anti-Pandemic Actions, Resume Work and Ensure Safety

During the epidemic, more than 417 tenants of Chongqing Longfor Goyoo had to stay in Chongqing. In order to protect the tenants in Chongqing

better, the 12 stores of Chongqing Longfor Goyoo had fully opened online services, and those store operation officers and security guards were on duty for 24 hours a day to ensure the safety of tenants. Besides, we fully launched systematic epidemic prevention management service measures to conduct epidemic prevention management knowledge training for all staffs and actively carried out epidemic prevention and elimination work.

During the epidemic, the Group implemented a number of heart-warming measures to protect the safety of property owners. Longfor Smart Service cooperated with the "Xingshu Lin" private doctor team, to give the property owners free consultation on the "U Xiangjia" app while avoiding the risk of cross-infection. The Group also launched "fruits and vegetables early delivery" service, to solve shopping problems.



Staff in Chongqing Goyoo Taking Temperature for People Entering and Exiting the Building

Joined Hands with Commercial Tenants, to Support Each Other

During the epidemic, the Group announced that the rental costs, including management fees and promotion fees, will be reduced by half for all tenants of Longfor shopping malls from 25th January 2020 to 31st March 2020. The policy covered 10 cities such as Chongqing, Chengdu, Xi'an, Beijing, Shanghai, Hangzhou, Suzhou, Changzhou, Nanjing, Hefei. We supported more than 4,500 cooperative brands, with total rent reduction of more than RMB500 million. The Group was in hope to relieve the pressure of commercial tenants in operations through rent reduction and exemption policies to weather through the difficulties.

9.1 Charity Support

The Group concerned about social welfare and proactively participates in organizing volunteer activities to bring warmth and light to wherever it goes. Under *the Longfor Group Public Welfare Donation Management Measures (2020 Edition)*, the Group clarifies the scope and process, and standardizes the management of public welfare donations. In October 2020, the Group registered and established the Longfor Foundation to further deepen our charity actions, which marked another milestone in our way ahead of charity work.

In 2020

the Group and total annual donation from its founder Wu Yajun

RMB **220** million

Mission

Lighten up lives and brighten up the spaces for a moment

Vision

Charity is simple and charity can be experienced



Values

Build up upon conscience, neutrality, continuity and altruism

Focus areas

Education, caring for child-care, elderly-care and poverty alleviation, green environmental protection, cultural heritage, anti-epidemic and disaster relief

Advocating for Education

Since the inception, the Group has been focusing on the education sector to carry out public welfare activities. In 2020, the Group and the founders made various educational donations of RMB120 million, including the establishment of the Longfor-Guangcai Special Fund for Education and Poverty Alleviation and the development of the "Longfor Class" of

Guizhou Vocational School Student funding donations, continued to carry out fund raising for students in need, trainings for teachers and student employment assistance projects in vocational high schools in Qinglong County and Wangmo County, Guizhou.

Chongqing Vocational School "Flying Class" to Channel the "Isolated Islands" with Kindness

Since 2019, Longfor Foundation has started cooperation with Chongqing Welfare Foundation for the disabled to set up a "Flying Class" in Chongqing Medical and Health School, aiming to help disabled students and children from disabled families receive vocational education that equip them with necessary knowledge and skills to survive, prevent poverty of next generations, and help them live as normal people with love, self-confidence, and the ability to follow their dreams.

17 districts in Chongqing. After only one and a half years in the children of the "Flying Class" gradually found confidence, interest, and direction for their future career.

After establishment of Longfor Foundation, the secretariat and volunteers visited the "Flying Class" twice, on 18th November, 2020 and 15th January, 2021, conducted in-depth sharing sessions with the principal, teachers, and children and witnessed the growth and change of these 31 children.

There were 31 students in the first "Flying Class", including 1 college graduate, 3 high school graduates, and 27 junior high school graduates from



► Student Zhou Dezhi from "Flying Class"

Assistance to Farmers

The Group has joined hands with Shanpin Commune, Le Nong Commune, and other public welfare platforms to integrate and utilize its resources from all core businesses, so that agricultural products can leave the faraway villages and enter the cities, and build a way which helps the farmers.

Through offline sales, we directly brought assistance to farmers at places such as our communities, apartments, shopping malls, sales offices, etc., helping them under the principle of “Buying instead of Supporting” .

Apart from offline sales, the regional companies combine local public welfare resources to provide more contacts and a wider range of public welfare assistance to extend the general welfare chain of helping farmers. For example, Longfor Youxuan in Chongqing prefers to use part of its sales to purchase agricultural products and winter clothes and then donate them to the students of the “Longfor Class” of Chongqing Medical and Health School in Fuling District, to achieve the combination of agricultural assistance and education.



► Site of activity

Cultural Inheritance

In 2019, the Group, the Palace Museum, and the Beijing Palace Museum Cultural Relics Conservation Foundation jointly established the "Longfor – Palace Culture Development Fund" with a fund size of RMB100 million. The Fund is used for heritage conservation and restoration, cultural heritage research and usage, collecting important cultural relics, disseminating traditional culture and other matters related to the Forbidden city cultural heritage conservation.



► Signing Ceremony of Longfor Group's Donation to the Palace Museum

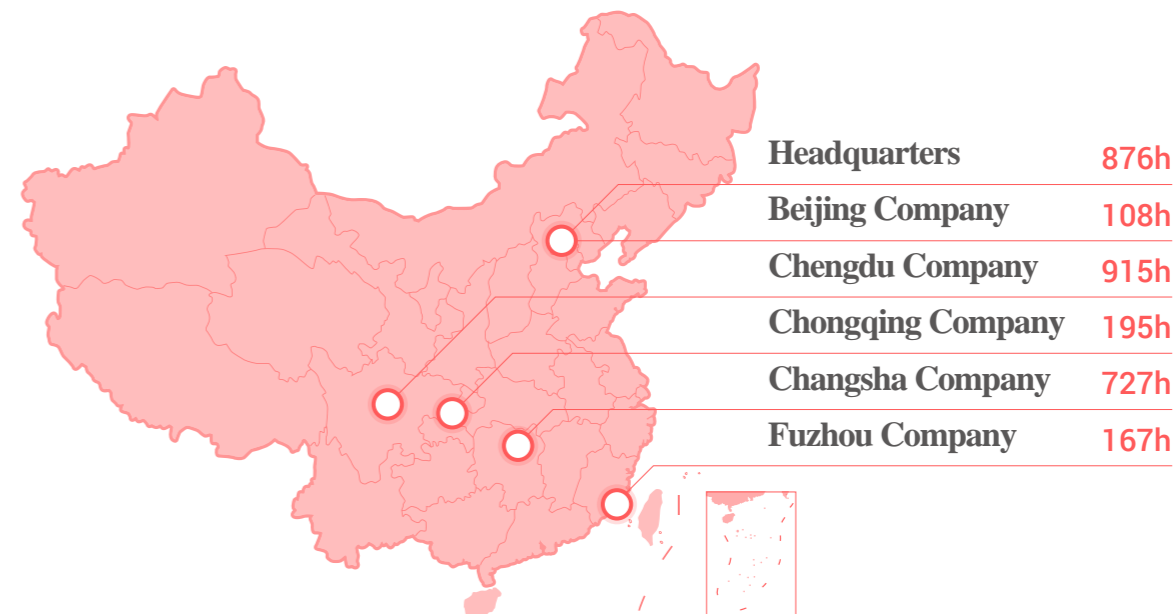
The activity has covered nearly 30 cities across the country and helped more than 20 remote villages.

The value of public welfare assistance to agriculture has exceeded

RMB **700,000**

Volunteer Service

On 20th November 2020, the Longfor Volunteer Organization was formally established with the slogan of “Take Actions to Make Public Services Simpler” . By 31st December 2020, the Group had a total of 1,166 registered volunteers and had established 32 volunteer teams across the country, accumulating a total of 3,325 hours of volunteering.



► Distribution of Longfor Volunteers' Time Duration

In 2020, Longfor volunteer activities were vigorously carried out in various places. We gave full play to our professional strength and participated in the pilot projects of Longfor Foundation, including improving the hardware conditions for private schools in Liangshanzhou by doing geological survey, researching, designing, engineering, etc, as well as home visiting for helping needy students, rural teacher training research, initiating the “Book Drifting Project” and donated 442 books to the school, launching the “Dream Career Talk” project, where volunteers in R&D, engineering, and human resources explained their career and career development to spread the concept of career planning, and promoted their enthusiasm for learning to the young in underdeveloped areas, taking activities related with helping the farmers agriculture and green travel.



► Investigation on the Hardware Improvement of Private Schools in Liangshanzhou, Sichuan



► Home Visits for Poverty Students

By the end of 2020

the Group has invested a total of

RMB **60** million

9.2 City Upgrade

Longfor Group has always been committed to enhancing land value, making projects with high quality, and giving the architecture more social responsibilities and unlimited possibilities.

Over the years, we have continued to explore the TOD model, and actively promoted the development of new city districts and the renewal of old towns, to efficiently aggregate urban functions and promote high-quality urban development. Meanwhile, we closely follow the pace of national and government policies and continue to encourage the construction of affordable rental housing, and urban retirement apartments to improve the quality of the urban settlements at all levels.

Build an Compact City

The TOD model takes high-speed railway, subway, bus, and other transportation hubs as the center and builds commercial complexes in the surrounding area, integrating working, shopping, entertainment, education, and other forms of business, to fully optimize the urban structure and resource allocation, and provide people with a more convenient and comfortable life.

The First TOD Complex with High-Speed Railway Station in Commercial District, Boosting the Development of the Chengdu-Chongqing Economic Zone

On 30th December 2020, Jinsha Paradise Walk, the first national transportation hub commercial complex which include high-speed railways, subways, buses, and taxi stations, was officially running in Chongqing. Supported by the policy of the Chengdu-Chongqing Economic Circle's construction, Jinsha Paradise Walk assists Shapingba to extend the regional economic radiation, affecting the entire Chengdu-Chongqing Economic Circle and the western city clusters. In addition, relying on complete and comprehensive supportive services provided, Longfor Jinsha Paradise walk can give full play to the "magnetic circle" effect of TOD project. The project will promote traffic improvement, Urbanization integration, urban value increase, and drive the development of the Chengdu-Chongqing economic circle into the fast lane.



▶ Longfor Jinsha Paradise Walk

The Group has been deeply involved in the TOD projects for 17 years

developed nearly **70** projects

covering more than **20** cities

On the opening day of Jinsha Paradise Walk, the total passenger flow exceeded

321,000 ppl

the total sales reached

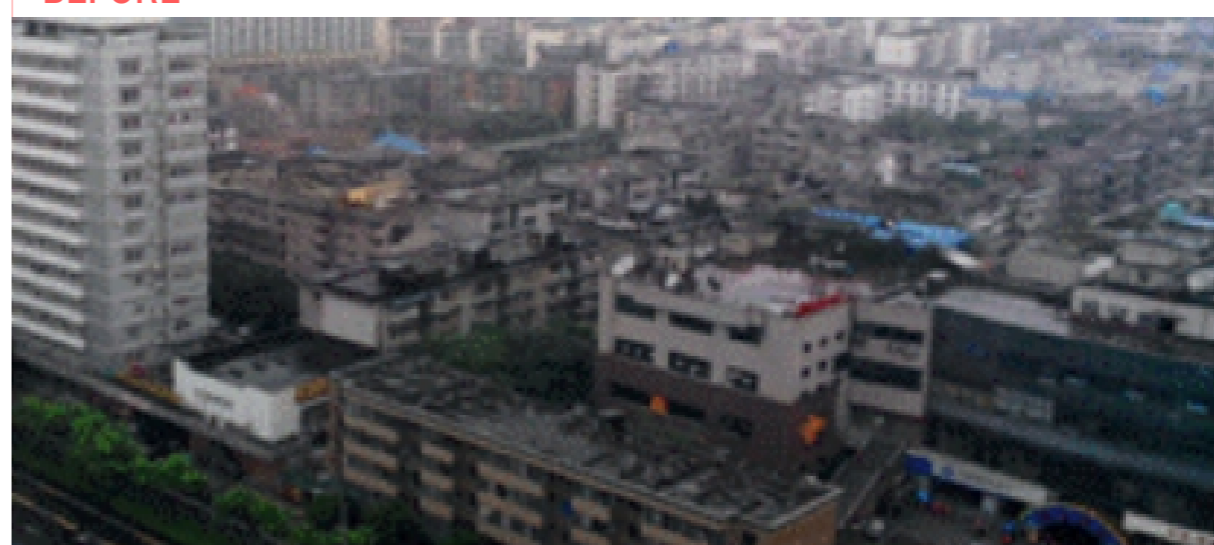
32.91 million RMB

Longfor-Shangcheng Helps the Transformation of the Old City with a New Look

On 25th September 2020, in order to actively respond to the call of "Zhongyou" by the Chengdu local government, which means to upgrade the function of the city center, reducing the development intensity, the building scale and population density, as well as improving the industrial level to enhance the city quality. the Group launched "Longfor Shangcheng". Through an integrated design, "Longfor Shangcheng" combines transportation hubs and urban functions, integrates various business formats like community commerce, to improve transfer efficiency and enrich citizen experience. It not only creates a high-quality life for Chengdu residents, but also builds an international commercial and industrial function zone to help the industry upgrade with the cooperation of the government.

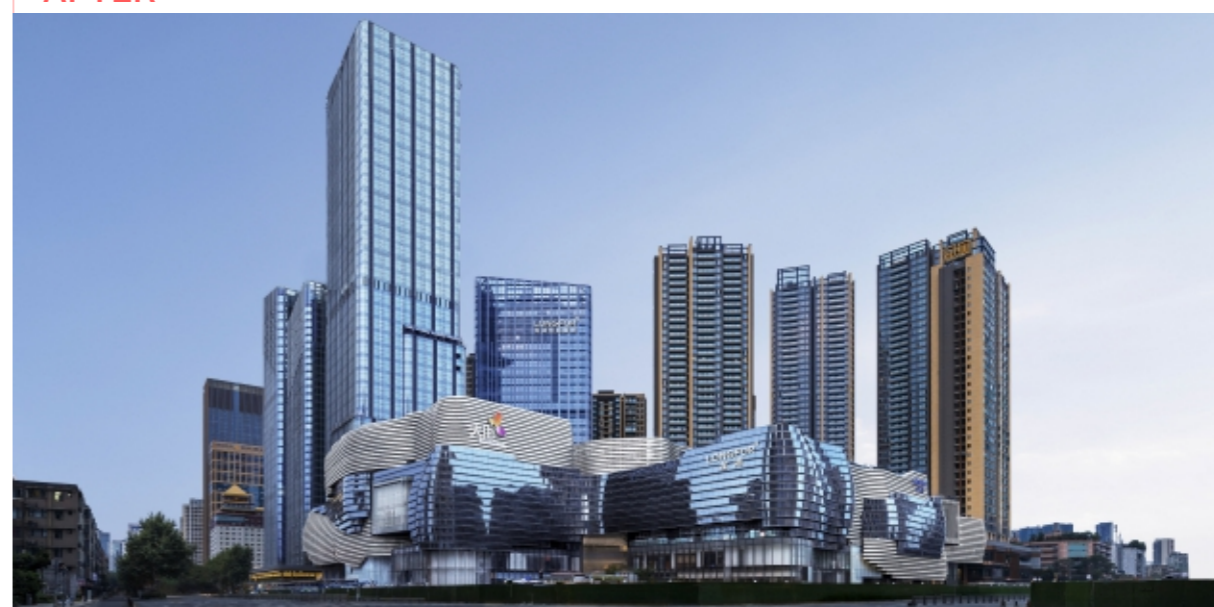
From the old look of the original Xinhua Printing Factory to the current vibrant "Longfor Shangcheng", it has brought new vitality and new opportunities into the whole city.

BEFORE



▶ The Old Look of the Original Xinhua Printing Factory

AFTER



▶ Longfor-Shangcheng

Help Talents to Settle Down

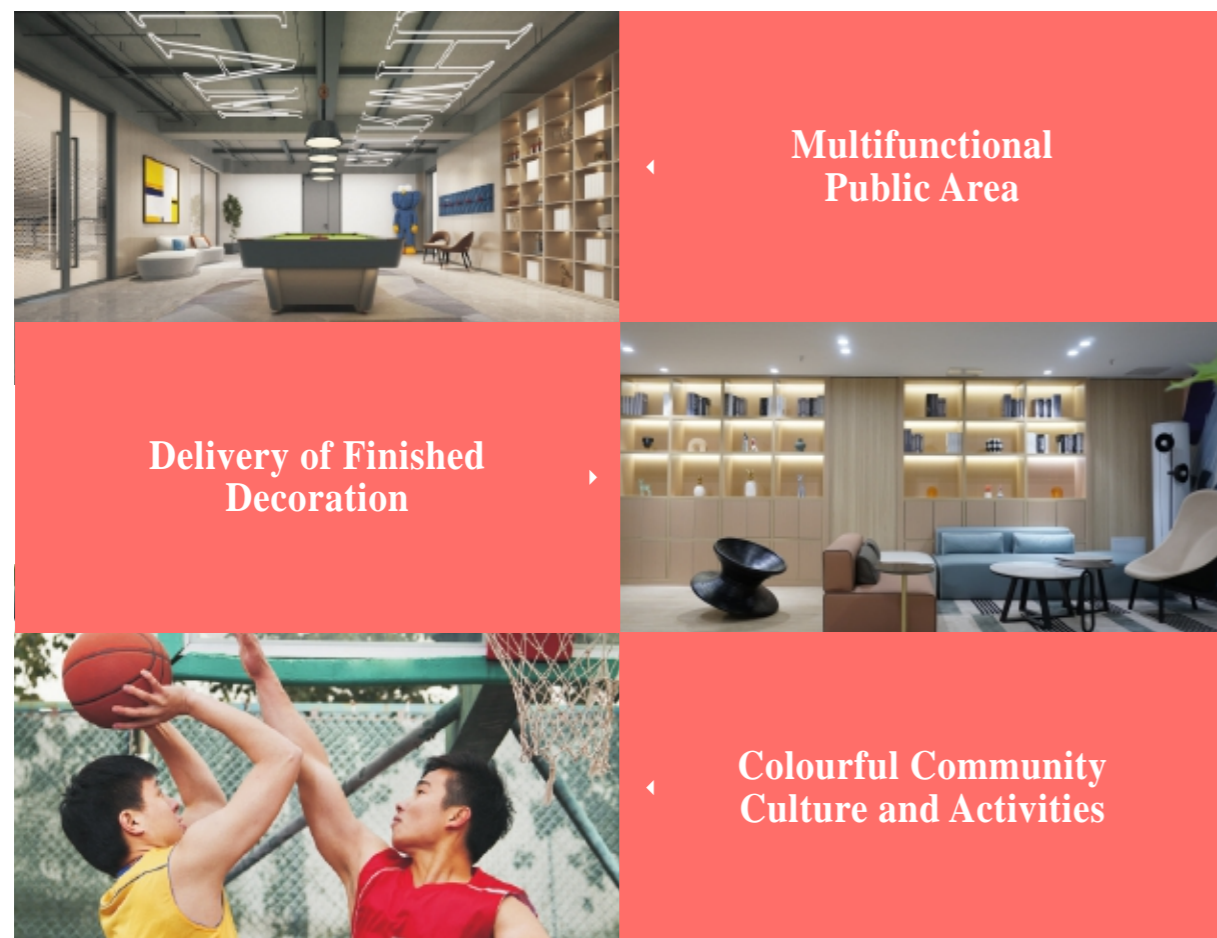
Longfor Goyoo adheres to its original business aspirations, helping urban renewal and talent settlement, and actively responds to national policies, develops a deep-linked cooperation model with government and state-owned enterprises to

build talent apartments. We will organically integrate the operating capabilities of long-term rental housing with government property resources, give full play to the advantages of both parties, and optimize resource allocation.

Longfor Goyoo Changning Apartment, First Apartment for Talents under Government-Enterprise Cooperation

Changning Apartment Project is the first government-enterprise cooperation project of Goyoo in Hefei, and also the first state-owned marketized project in Hefei High-tech Zone. With a total of 1,110 rooms and a character characters of “small size and low rent”, it has attracted and served more than 120 enterprises in the high-tech district, solving the accommodation

problems for those who working around such as enterprise employees, workers, and graduates from colleges. The project deeply implements the marketized cooperation mode of “state-led, financial support, marketized operation and socialized management”, to help the local talents to settle down.



► Public zone in Changning Apartment

Longfor Goyoo upholds the mission of “creating a warm and bright place for urban youth”. In order to serve the needs of new graduates and talents from major enterprises better, we have built a three-dimensional ecology of “Living Dream Plan” and “Guanqi Hui”. By the end of 2020, the “Living Dream Plan” had provided dual assistance in job hunting and house renting for nearly 40,000 tenants and graduates from nearly 200 universities. “Guanqi Hui” has accumulated more than 4,000 cooperative enterprises to create a one-stop solution for house renting, created 7 VIP exclusive services, and strived to create a comfortable, healthy and energetic ideal lifestyle employees.

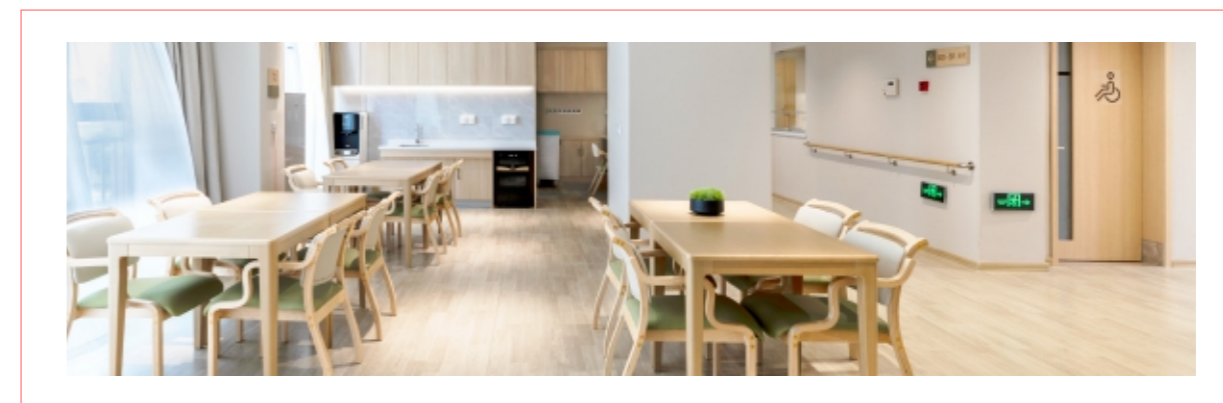
Explore the Elderly Care in Community

“Longfor Ever Spring” has deployed four major product types, that is Yinian apartment, community care center, long-term care elderly care community, and home care service. It meets the needs of elderly care with a full-format product structure in multiple ways, and maintains an innovative operation model. The four major service systems, including the medical care system, the elderly-care system, catering system, and the social work system, have been established to meet the needs of the elderly for health and care at every level.

Longfor Ever Spring, starts a new life for the elderly in Shanghai

Longfor Ever Spring Comprehensive Senior Service Center is a community-embedded elderly care service complex jointly created by the Party Committee of Gucun Town, Shanghai Baoshan District, the government, and Ever Spring, the group's professional senior care service brand. It is the first elderly care project for Ever Spring, which contains public-private partnerships. The projects officially operated on the 23rd October, 2020.

Longfor Ever Spring Comprehensive Senior Service Center comprehensively integrates multiple functions such as daycare, full-time care, and catering to meet the diversified needs of elderly care services for the senior citizens in Shanghai. While meeting the needs of the elderly in nearby communities, it also adds new blood into the regional elderly care services. Meanwhile, the service center effectively utilizes the surrounding resources for the elderly and supports living resources to open up the last mile of elderly care services.



► Longfor Ever Spring Comprehensive Senior Service Center

9.3 Supply Chain Enhancement

The supply chain is an essential link in the Group's product and service value chain. We continue to standardize the procurement process, integrate corporate social responsibility into all aspects of supply chain management, and actively guide suppliers to fulfill their social obligations. Meanwhile, the Group maintains good communication and sustainable cooperation with suppliers and works hand in hand to help each other.



Standardized Procurement

The Group is committed to building a standardized, fair and transparent procurement process and has formulated internal systems such as *the Group Construction Material and Equipment Supplier Management Measures*, *Longfor Group Sub-supplier Management Measures*, and *Longfor Supplier Evaluation Standards and Management Principles*. We built a management system that covers the entire life cycle of supplier, from warehousing, selection, evaluation, grading to withdrawal.

Before a supplier approved, we strictly examine the qualifications of suppliers and their business compliance. For material and equipment suppliers, we continue to strengthen third-party factory inspections to cover 100% of all centralized procurement categories and their raw materials. For construction management and control, we will have a specialized staff to review the authenticity of the documents provided, and approval is a necessary condition for the introduction. The Group will not approve sub-suppliers with bad records such as government blacklists, migrant workers' troubles, etc.

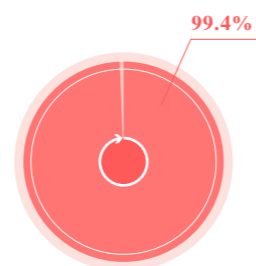
Number of Suppliers by Region

Region	Number
Mainland China	22,774
Hong Kong, Macao and Taiwan	44
Overseas	16

By the 31st December 2020, the Group had a total of

22,834
suppliers

Suppliers from Mainland China accounted for



Responsibilities in Supply Chain

In 2020, the Group formulated the *Supplier Code of Conduct*, which incorporates the ESG management content of the supply chain into the full-cycle management and control links such as bidding documents and process performance inspections. ESG risks that may exist in each connection of equipment and facilities supply and packaging material procurement integrate the ESG risk identification results of the supply chain into the supplier access and evaluation review mechanism and give priority to companies with good ESG performance and environmentally friendly green products.

We will focus on evaluating the supplier's safety production license, green building selection certificate, environmental protection building materials certification, quality management system certification, and other system certification documents in the bidding phase. We strictly inspect the environmental protection measures of the supplier's factory such as the innocuous treatment of waste water, gas and materials, and evaluate its production safety management system to reduce the quality, safety, and environmental risks. Suppliers that have obtained ISO9000 and ISO14001 environmental quality management system certification accounted for more than 90% of the Group's centralized procurement suppliers.

During the appointment, the Group will conduct semi-annual and annual evaluation on major suppliers and contractors and conduct hierarchical management. Those suppliers whose evaluation scores are lower than 60 will be disqualified from the performance stage. The assessment mainly includes compliance risk, environmental certification, labor employment, bribery and corruption, etc., to guide suppliers to actively fulfill their social responsibilities.

The Group strongly promotes environmental protection measures in supply chain management, such as, implementing an online order system and electronic signatures to reduce paper use, continuing to use artificial materials to replace natural materials to reduce energy consumption. For all procurement categories, they are controlled in accordance with the national standards or higher technical standards listed in the *Technical Requirements* that need to be referred to. For example, the formaldehyde emission of wood products shall not be higher than the national standard E1 level's emission concentration.

In order to ensure integrity and fairness in the cooperation process, we require suppliers to sign the *Agreement on Integrity in Cooperation* and follow the integrity and compliance-related content in the *Code of Longfor Business Conduct*, with a signing rate of 100%.

9.4 Industry Development

Protection of Intellectual Property Rights

The Group attaches great importance to protecting intellectual property rights. We respect others' intellectual property rights, protect our own intellectual property rights in accordance with the law. We have formulated the *Group Patent Management Measures*, and improved the management of intellectual property rights. We have carried out many academic research pieces with external scientific research institutions, universities, and research institutes to facilitate the transformation of production, education, and research.

Since 2016, the Group has established the "Future Science Award" to reward scientists who have done original scientific research with international influence in the Greater China region. So far, 16 winners have been awarded and widely recognized in the fields of science and society.

In 2020

the Group has obtained

39

authorized software copyrights

33

patents

By the end of 2020

the Group has a total of

54

authorized software copyrights

45

patents

Industry Standard Setting

We enhance cooperation and exchanges with other sectors, join in trade associations and develop partnerships, promote industry innovation, and develop authoritative textbooks and standards to help regulate the industry and achieve common progress. In 2020, we had led or participated in the drafting and adoption of some national and industry standards. Some of the participated standards are listed below.



The *Near-Zero Energy Residential Building Quality Control Standards* co-edited by the China Academy of Building Research and Longfor Group has been reviewed and approved for publishing. It was implemented on September 1st, 2020, providing the basis of entire process of quality control for residential buildings of nearly zero energy consumption.

Longfor worked with the China Urban Public Transport Association and the China Real Estate Association to jointly organize the *Urban Rail TOD Comprehensive Development Project Evaluation Standard*, which was officially released on 29th September. This is the first TOD standard in China and Longfor was the only developer participating in the compilation process.

Longfor participated in the compilation of the highest grade of the national standards for rental housing market, the *Housing Construction and Operation Standards*, in which the Group provided constructive opinions for multiple modules including building planning and operation management standards.

Longfor participated in editing of the *Comprehensive Performance Evaluation Standards for Long-Rent Apartment* compiled by the China Academy of Building Research which was released in June 2020.

Longfor participated in the preparation of the *Rental Housing Construction Standard (Draft)* proposed by the Beijing Ministry of Housing and Urban-Rural Development and organized by the Urban Planning Institute of China Academy of Social Science (Beijing). The standard was released in December 2020.

Longfor Smart Service has participated in the compilation of the first authoritative book of new infrastructure in China, *New Infrastructure: New Structural Forces in the Digital Era* under its innovative exploration and practice in the industry. The Group has joined hands with more than 20 top companies such as Huawei, Alibaba, Tencent, Baidu, China Mobile, China Unicom, and Telecom to provide an essential basis and key path for the "high-quality investment" and "high-quality development" of the Chinese economy. Longfor Smart Service has also become the only property management company to participate in the preparation of the book.

10 HKEX ESG Disclosure Index

Major Categories, Level, General Disclosure and Critical Performance Indicator		Respond
Scope: Environment		
A1: Emissions		
General Disclosure		
A1.1	The types of emissions and respective emissions data	P71-91
A1.2	Direct and energy indirect greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	P81-82
A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility.)	P82
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility.)	P89-90
A1.5	Description of measures to mitigate emissions and results achieved.	P89-90
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P71-85、P87-88、P91-92
A2: Use of Resources		
General Disclosure		P71-91
A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	P82
A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility)	P86
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P81-85
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.	P86-87
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
A3: The Environment and Natural resources		
General Disclosure		P71-91
A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	P79-80、P91-94
Scope: Social		
Employment and Labor practices		
B1: Employment		
General Disclosure		P95-107
B1.1	Total workforce by gender, employment type, age group and geographical region.	P97
B1.2	Employee turnover rate by gender, age group and geographical region.	P98

B2: Health and Safety		
General Disclosure		P108-114
B2.1	Number and rate of work-related fatalities.	P108
B2.2	Lost days due to work injury.	N/A
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P114
B3: Development and Training		
General Disclosure		P98-102
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	P100
B3.2	The average training hours completed per employee by gender and employee category.	P100
B4: Labor Standards		
General Disclosure		P95-107
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P97
B4.2	Description of steps taken to eliminate such practices when discovered.	P97
Operating Practices		
B5: Supply Chain Management		
General Disclosure		P127-128
B5.1	Number of suppliers by geographical region.	P127
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.	P127-128
B6: Product Responsibility		
General Disclosure		P29-68
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service-related complaints received and how they are dealt with.	P64-68
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P129-130
B6.4	Description of quality assurance process and recall procedures.	P31-32
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P61-62
B7: Anti-corruption		
General Disclosure		P27-28
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.	P27
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P27-28
Community		
B8: Community Investment		
General Disclosure		P115-130
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	P115-130
B8.2	Resources contributed (e.g., money or time) to the focus area.	P115-130

11 List of Internal Policies and Laws & Regulations

ESG Indicator	Internal Policies	Laws & Regulations
A1 Emissions	Waste Control and Management Operation Guide Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes Water Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Work Plan for Greenhouse Gas Emissions Control during the 13th Five-Year Plan Period
A2 Use of Resources	Longfor Smart Service Group Energy Management System Guide to the Comprehensive Part of the Group's Ever Spring Operation Manual Longfor Group Green Office Management Policies	Energy Conservation Law of the People's Republic of China
A3 Environment and Natural resources	Longfor Group Environmental Management Policy	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment Notice by the General Office of the CPC Central Committee and the General Office of the State Council on the Topic of Issuing Guiding Opinions regarding Coordinating the Delimitation and Implementation of Three Control Lines Green Building Evaluation Standard Land Administration Law of the People's Republic of China Regulations of the People's Republic of China on Nature Reserves Urban and Rural Planning Law of the People's Republic of China
B1 Employment	Group Talent Promotion Management Measures Group Recruitment Management Guidelines Employee Occupational Sequence and Occupational Level Management Measures Measures for the Management of Performance Rating Evaluation Group Annual Appraisal Management Measures Administrative Measures on Comprehensive Subsidies for Employees Group Staff Attendance Holiday Management Measures Group Pension Project Employees' Reward Funds, Subsidy Projects, and Standard Management Measures	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China
B2 Health and Safety	Longfor Group Engineering Safety Management System Longfor Group Safe and Civilized Construction Management Standardization Atlas Longfor Group Construction Safety Management Measures for Projects Under Construction Longfor Property Management Employee Safety Management	Labor Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Occupational Health and Safety Management System Certification Work Safety Law of the People's Republic of China Fire Safety Law of the People's Republic of China Construction Law of the People's Republic of China Administrative Regulations on the Work Safety of Construction Projects Regulation on Work-Related Injury Insurance
B3 Development and Training	Employee Occupational Sequence and Occupational Level Management Measure of the Property Business Group Employee Relocation Management Measures Human Resources Individual Item Reward System Running Water Program	

B4 Labor Standards	Longfor Group Human Rights Policy Group Staff Attendance Holiday Management Measures Employee Demission Management Measures	Regulation on the Prohibition of Child Labor Universal Declaration of Human Rights Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Public Holiday and Anniversary Management Measures Implementation Measures for Employee Paid Annual Leave Standards for Medical Treatment Period Enjoyed by Employees for Their Illness or Non-Work-Related Injury
B5 Supply Chain Management	Longfor Group Supplier Code of Conduct Code of Conduct for Suppliers Group Construction Material and Equipment Supplier Management Measures Longfor Group Sub-supplier Management Measures Longfor Supplier Evaluation Standards and Management Principles.	Bidding Law of the People's Republic of China General Provisions of the Civil Law of the People's Republic of China
B6 Product Responsibility	Software Copyright Management Measures Patent Management Measures Longfor Group Engineering Quality Management System Longfor Group Completion and Delivery Project Rework Management System Longfor Group Property Separate Inspection Management System Longfor Group Concrete Quality Management Regulations Group Project Third-Party Inspection Management System Group Project Third-Party Inspection Reward and Penalty Rules Longfor Group Customer Service and Interview Operation Guidelines Longfor Group Property Separate Inspection Management System Longfor Group Real Estate Evaluation Management Measures Data Security Management System Staff Information Security Code of Conduct Sensitive Document Leakage Prevention Guidelines USB Flash Disk Copy Prohibition Operation Guidelines Goyoo Operation Red Line Policies IHG Handling Personal Data Policy Customer Check-in Information Protection System Residence Information Protection System Information Protection System for Incoming Callers and Visitors Longfor Group Major Group Lawsuits and Major Complaints Management Measures Longfor Property Management Complaint Management Procedures Goyoo 400 Hotline Customer Service Notification Operation Standards Goyoo Public Opinion and Customer Litigation Risk Management Standards Longfor Group Guidelines for Handling Commercial Real Estate Complaints Customer Satisfaction Management System Longfor Group Customer Satisfaction Fund Management Implementation Measures	Product Quality Law of the People's Republic of China Construction Law of the People's Republic of China, Regulation on the Quality Management of Construction Projects Unified Standards for Construction Quality Acceptance of Building Projects (GB50300-2013) Basic Service Quality Standards of Senior Care Facilities Civil Code of the People's Republic of China Cybersecurity Law of the People's Republic of China Measures for Data Security Management (draft for comments) Personal Information Security Specification (GB/T 35273-2020)
B7 Anti-corruption	Longfor Group Code of Business Conduct	Anti-Money Laundering Law of the People's Republic of China Prevention of Bribery Ordinance Law of the People's Republic of China Against Unfair Competition
B8 Community Investment	Longfor Group Public Welfare Donation Management Measures (2020 Edition)	

12 ESG Performance Indicators

1. Financial Indicators

	Unit	2020	2019
Total assets	RMB billion	765.2	652.2
Net assets	RMB billion	192.7	166.7
Revenue	RMB billion	184.5	151.0
Core Attributable Profit	RMB billion	18.7	15.6

2. Governance Indicators

	Unit	2020	2019
Annual risk identification and assessment	Number of audit activities	/	22
	Number of audit findings	/	160+
	Rectification completion rate	%	100
Business ethics	Number of employees that participated in the business code of conduct training and examinations	'000	34
	Passing rate of the examinations	%	100
	Proportion of suppliers required to sign the Agreement on Integrity in Cooperation	%	100
Reports and complaints	Number of complaint calls received	/	700+
	Valid complaints	/	147
Anti-corruption	Risk of systemic corruption	/	0

3. Environmental Indicators

• Green and Low-Carbon Construction

	Unit	2020	2019
Number of green certified projects	/	34	-
GFA of green certified projects	mn sqm	5.73	-

• Energy Consumption

	Unit	2020									2019					
		Operations									Operations					
		Administration Offices	Projects under Construction	Residential Property Service	Commercial Operation	Rental Housing	Elderly Care	Offices & Hotels	Administration Offices	Projects under Construction	Residential Property Service	Commercial Operation	Rental Housing	Elderly Care	Offices & Hotels	
Energy consumption	Fuel	L	271,170	/	18,416	/	/	/	/	-	-	-	-	-	-	
	Diesel	L	/	/	100,426	/	/	/	50	-	-	-	-	-	-	
	Natural gas	m ³	/	/	/	3,941,144	/	/	578,577	-	-	-	-	-	-	
	Purchased electricity	kWh	5,845,305	165,800,000	191,031,750	203,257,229	5,497,200	1,218,667	11,274,028	5,723,350	145,960,000	-	170,616,875	2,610,000	-	
Water consumption	m ³	2,121	17,409,000	9,031,620	2,333,145	27,486	21,683	352,087	5,559	15,325,800	-	2,328,906	10,304	-		

• Greenhouse Gas Emissions

	Unit	2020	2019
Scope 1 emissions	tCO ₂ e	10,775.66	-
Scope 2 emissions	tCO ₂ e	538,611.66	-
Total emissions*	tCO ₂ e	549,387.33	771,826
Greenhouse Gas Emission Density	tCO ₂ e/Revenue('000)	0.00298	-

*The main reason for the decrease in total carbon emissions in 2020 is the improvement and adjustment of the statistical methods and dimensions

• Major Solid Waste

	Unit	2020							
		Administrative and Office	Operations						
			Projects under Construction	Residential Property Service	Commercial Operation	Rental Housing	Elderly Care	Offices & Hotels	
Non-hazardous waste	Office Paper	Kg	37,487.70	51,812.50	3,493.97	21,113.95	3,240.60	1,664.30	7,085.40
	Domestic Waste	Tons	1,840.75	447.66	1,650.00	/	1,145.25	156.90	486.00
	Earthwork/Muck	Tons	/	31,706,307.05	/	/	/	/	12.00
	Housing Decoration/Construction /Demolition Waste	Tons	/	/	/	19.00	2,150.00	7.50	303.00
	Others ¹	Tons	35.52	0.14	76,555.55	4.37	/	2.06	48.35
Hazardous waste	Toner Cartridges and Ink Cartridges	Kg	444.94	692.22	349.34	356.05	1,880.00	38.72	223.50
	Waste lamps/bulbs	Kg	/	/	28,770.32	101.98	1,410.00	10.61	65.00
	Others ²	Tons	1.97	/	1520.97	0.46	14.48	4.33	2.28

1.Including office furniture, garden waste, metal, glass, batteries

2.Including used computers, grease trap waste, plastics, and waste oil

4. Social Indicators

• Community Public Welfare

	Unit	2020	2019
External Donation	RMB million	220	94

• Products and Services

	Unit	2020	2019
Customer satisfaction	%	88	89
Customer satisfaction with maintenance and rectification	%	95	81

• Employees

	Unit	2020	2019
Total number of employees	/	35,426	26,316
Divided by Gender	Male	/	20,938
	Female	/	14,488
Divided by Position	Senior management	/	95
	Middle management	/	719
	Front-line management	/	2,297
	Junior Staff	/	32,315
Divided by Age	Below 30	/	13,857
	30-50	/	17,605
	Above 50	/	3,964
Divided by Region	Mainland China	/	35,406
	Hong Kong, Macao, and Taiwan	/	13
	Overseas	/	7

• Employee Training

	Unit	2020	2019		
Total Online Training Duration		Hour	439,097	211,567	
Hours of Training per Capita	By Gender	Male	Hour	9.4585	-
		Female	Hour	8.8967	-
	By Position	Senior management	Hour	0.5245	-
		Middle management	Hour	8.7631	-
		Front-line employees	Hour	9.2934	-
	Total Offline Training Duration		Hour	159,809	98,521
Hours of Training per Capita	By Gender	Male	Hour	3.66	-
		Female	Hour	2.93	-
	By Position	Senior management	Hour	2.64	-
		Middle management	Hour	8.64	-
		Front-line employees	Hour	2.82	-

• Care for Employees

	Unit	2020	2019
Proportion of employees covered by the Group's engagement survey	%	94	94
Employee engagement score	%	86	84
Employee satisfaction score	%	83	80

• Production Safety

	Unit	2020	2019
Number of safety production accident that caused serious injuries or above	/	0	-
Number of work-related deaths and injuries	/	0	-
Number of safety-related online courses	/	7	-
Number of staffs participated in safety innovation training	'000	62	-

Note: The statistical methods and dimensions do not include contractors

• Supply Chain Management

	Unit	As of the end of 2020	As of the end of 2019
Number of suppliers	/	22,834	16,524
Mainland China	/	22,774	16,425
Hong Kong, Macau and Taiwan	/	44	-
overseas	/	16	-

• Innovation Management

	Unit	2020	2019
Number of authorized software copyrights	/	39	15
Number of patent	/	33	-

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