LONGFOR 龙湖 | 30th 善行致远

2022
Sustainability Report

FOR YOU FOREVER

善行致远

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

Property Development
LONGFOR
龙 湖
Commercial Investment
天街
Paradise Walk
Property Management
LONGFOR
龙湖智创生活
Health & Elderly Care
ever spring
椿山万树
佑佑宝贝
Rental Housing
冠寓
Goyoo
Smart Construction
LONGFOR
龙 湖 龙 智 造
City-Industry Integration
蓝海引擎
BLUE ENGINE
ESG
Refining Governance and Operating Compliantly
Sharing with Customers the Best Service
Devoting to Charity to Build with the Society
Advancing with Industry with Optimal Cooperation
Harmony with Nature and Environment
The Best Care and Creating a Future with Employees

Contents

06 About the Report

08 Chairperson's Statement

08 Board Statement

10 About Longfor

18 Stakeholder Communication

01 Refining Governance and Operating Compliantly

22 Corporate Governance

24 Sustainable Development Management

25 Green Finance

26 Risk Control

28 Business Ethics

02 Sharing with Customers the Best Service

32 Diversified Service

50 Craftsmanship Quality

56 Intelligent Operation

60 Reassuring Guarantee

03 Devoting to Charity to Build with the Society

66 Rural Revitalization

69 Care for the Elderly and Children

76 Facilitating Education

79 Fighting Pandemics and Disasters

80 Community Charity

83 Merchant Support

04 Advancing with Industry with Optimal Cooperation

86 Supplier Management

90 Industry Development

05 Harmony with Nature and Environment

94 Special Topic: Towards the Dual-Carbon Goals

96 Responding to Climate Change

102 Green Building

116 Green Construction

118 Low-Carbon Operation

126 Ecological Governance

128 Urban Revitalization

06 The Best Care and Creating a Future with Employees

134 Fair Employment

136 Talent Development

142 Employee Benefits

145 Safety and Health

152 Index of the HKEX ESG Reporting Guide

154 List of Internal Policies and Laws & Regulations

156 Table of ESG Data Indicator Performance

161 GRI Indicator Index

About the Report

Longfor Group Holdings Limited has issued the "2022 Sustainability Report" (the "Report"), the third independent sustainability report since 2020. This Report describes Longfor Group's philosophy, management, actions, and achievements in sustainable development from Environmental, Social, and Governance perspectives (hereinafter referred to as "ESG"),and responds comprehensively to stakeholders' expectations.

Reporting Scope

This Report covers the period from January 1, 2022 to December 31, 2022 (the "Reporting Period"), which is aligned with our 2022 annual report, with some historical or current data extension of 2023. This Report focuses on the Longfor Group and covers the business departments and project subsidiaries operated and managed by the Company. The scope of the business includes property development, commercial investment, rental housing, property management, smart construction, elderly-care, and urbanization project.

Availability of the Report

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

The Reporting Standards

This Report follows the relevant provisions and requirements of the *Environmental, Social, and Governance (ESG) Reporting Guide* set out in Appendix 27 of the *Main Board Listing Rules of the Stock Exchange of Hong Kong Limited* (hereinafter referred to as "HKEX"). It was prepared with reference to SDG Compass, GRI Standards by Global Reporting Initiative (GRI), and 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.

Source of Data

This Report follows the principles of materiality, quantitative, balance and consistency of the *Environmental, Social, and Governance Reporting Guide* of the HKEX. Unless otherwise specified, the information and data cited in this Report are from the official documents, statistical reports and financial reports of the Company, as well as from the Company's collated, aggregated, and reviewed ESG information.

Report Terms

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

Chairperson's Statement

In 2022, the real estate market has undergone rapid reshaping and abounded with changes and challenges. With a stable financial position and balanced business development, Longfor Group followed policy trends, seized opportunities, and smoothly navigates through the cycle. With a firm "Space as a Service" strategy, Longfor Group has formed three major business pillars of development, operation, and service, covering five main business segments of property development, commercial investment, rental housing, property management, and smart construction. Targeting the life, work, and social scenarios of core city customers, the Company deeply participated in urban space and service reconstruction through brand and resource integration, asset-light and asset-heavy business combinations while seizing business opportunities. The Company's debt structure is safe with abundant liquidity, along with coordinated development of various business segments continues to maintain a "full investment-grade" credit rating.

The Group commits to corporate social responsibility and follows the path of sustainable development throughout its steady growth. In 2022, Longfor performed well in ESG ratings, receiving a BBB rating from MSCI, a green three-star recognition from GRESB, and a "low risk" rating from Sustainalytics with a risk score of 15.2, which is the lowest among domestic real estate companies. Longfor was also successfully selected into the 2022 Forbes China ESG50.
Longfor has always adhered to its original heart of "Care For You" and strives to treat the environment, customers, employees, and communities well, in order to create a better future together.

Longfor is conscientious and careful when strengthening its responsibility management

Longfor continued to concentrate in sustainable development in 2022. We formed a unique Carbon Peak and Neutrality Team and regularly monitored carbon markets and regulatory requirements. Longfor has established several ESG-related goals, including those related to the environment, health and safety, and has linked them to the performance of executives and staff, inspiring them to work together to implement sustainable development principles.

We design green living areas to take good care of the environment

Longfor supports the "low-carbon, green, and healthy" development approach, integrates sustainable development with the complete life cycle of buildings, and offer models for green and healthy living places. The accumulated floor area met the national standard of green building was above 130 million square meters by the end of 2022, and all new projects have met the national standard of green building, with 80 percent met one-star or higher green building standards. In addition, Longfor has formulated and implemented the *Policy for Addressing Climate Change* to actively respond to the impact of climate change on the Company. Referring to the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD), Longfor has developed climate risk management and response measures. In terms of biodiversity conservation, Longfor has formulated the *Biodiversity Framework* and actively promotes harmonious coexistence between humans and nature.

We believe that exceptional craftsmanship can streamline smart city operations and services

With the leading digital technology capabilities, Longfor continues to promote the urban revitalization process as an urban operator in an orderly manner. We have created Hangteng Community, writing a new chapter in future living; reconstruct the Beijing Longfor Blue Engine Industrial Park, setting a new example for urban renewal; and formed the Chongqing Yuelai New District Intelligent Operation Platform, exploring new models of smart city services...

Good deeds lead to a better future, let's build a beautiful home together

Longfor is always committed to creating a harmonious ecosystem of win-win cooperation with customers, employees, environment, industry, and society. Since its inception, the Longfor Foundation has launched multiple public welfare projects aimed at caring elderly and children, rural revitalization, promoting education, and alleviating poverty, including the Xinya Project, Huguang Project, Flying Project, Stream Project, and Evergreen Program. We have assisted over 1.64 million people. Longfor's "Doing Good" spirits will continue to bring about positive changes in the community.

Longfor will continue to follow the guiding principle of "For You Forever," actively fulfill its social responsibilities, and promote sustainable development in the future. We hope we can create better cities and places to live, revitalize cities with warmer services, and facilitate social harmony and development.

Board Statement

Longfor Group's Board of Directors is committed to establishing a sound ESG management system, enhancing ESG governance efforts, and promoting the Company's sustainable development on an ongoing basis. The Board of Directors is the highest decision-making body for the Group's sustainable development management. We have established an ESG Committee at the Board level, chaired by an independent non-executive director, Mr. Chan Chi On, Derek and consisting of chairperson and other two independent non-executive directors, which is responsible for formulating and reviewing the Group's ESG strategies and policies, strengthening materiality assessment and reporting, monitoring key ESG trends and related risks and opportunities, and examining the Group's sustainable development. Additionally, the ESG Committee monitor and evaluate the Group's sustainability performance and regularly report to the Board of Directors. Under the ESG Committee, we've established an ESG Working Group to coordinate and promote specific ESG projects in various functional departments to ensure the allocation of resources and implementation of ESG work.

We value the expectations and demands of each stakeholder. We hold regular internal and external events to communicate closely with our stakeholders, identify and evaluate significant ESG issues, and discuss and assess them at ESG Committee meetings. Each year, the ESG Committee reviews the Company's ESG risks and opportunities and decides on significant ESG management goals and projects. Following the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations framework, we routinely identify and assess climate change risks and opportunities and develop targeted response initiatives in 2022. The Group has established environmental performance objectives following the HKEX's *Environmental, Social, and Governance Reporting Guidelines*. In addition, we have set quantitative safety production goals, which are to prevent any safety production accidents of general or higher levels for which we are responsible; we aim to reduce the number of safety production accidents of general or higher levels for relevant parties (including contractors) by 5% compared to the previous year in order to actively ensure construction safety. The ESG Committee has reviewed and discussed the goals above and will continue to monitor and assess the attainment progress.

The Group places a premium on ESG information disclosure. Our ESG Working Group is responsible for the annual ESG report disclosure, which the ESG Committee reviews to ensure its veracity and efficacy. This Report describes in detail the progress and effectiveness of Longfor Group's ESG work in 2022. The ESG Committee reviewed and approved it on 04/18/2023.

About Longfor

Longfor Group, founded in Chongqing in 1993, has expanded its footprint nationwide and has formed three major business segments: development, operation and services. Its main business covers property development, commercial investment, rental housing, property management, and smart construction. Longfor has proactively stepped into innovative fields such as health and elderly care services and city-industry integration, achieving a comprehensive layout in high-tier cities across China.

In 2022, all businesses achieved stable development with impressive results.

Operating Revenue in 2022

RMB250.6 billion

Tax Paid in 2022

RMB21.1 billion

In 2022, property development revenue was 227 billion, with residential projects accounting for 89% of revenue and commercial office projects accounting for 11% of revenue.

Property Development

Annual Contracted Sales

RMB201.59 billion

Total Landbank

57.95 million square meters

Projects

Over 1,100

Area Developed

220 million square meters

Rental Housing

Operated Rooms

116,000 units

Tenants Served

Nearly 500,000

Covered Cities

Over 30

Smart Construction

Six Core Businesses

- Intelligent Research and Planning
- Intelligent Design
- Intelligent Construction
- Intelligent Digital Technology
- Intelligent Refined Engineering
- Intelligent AIoT Devices

Commercial Investment

Annual Rental Income

RMB9.43 billion

Opened Area

7.22 million square meters

Malls in operation

76

Annual Customer Traffic

Over 610 million

Property Management

Area under Property Management Service

320 million square meters

Shopping Malls under Management

76

Covered Cities

Over 100

Customer Satisfaction

Over 90%

Corporate Culture

For You Forever

01 What we do for you?

Space as a Service "SaaS"

Making space come alive, by offering sincere and compelling service

02 What our customers will experience?

An enjoyable peace of mind with pleasant discoveries and sweet surprises in every Longfor space

03 How we deliver success?

Through attracting and developing the right talents

By effectively deploying and pioneering the use of the latest AI and technology

By creating innovative ideas for you, forever

Mission

Core Values

Entrepreneurship

Integrity

Agility

Win-Win

Ten Principles

Long-term Oriented	Continuous Innovation
Customer First	Win-Win
End to End ownership	Transparency
Open and Embrace Change	Continuous Productivity Improvement
Minimum Cost	Management as a service

Annual Honors

412th

2022 Fortune Global 500

242nd

2022 Forbes Global 2000

54th

2022 Fortune China 500

Top 25

Top 500 Private Enterprises in China (All-China Federation of Industry and Commerce)

Top 1

Top 100 Private Enterprises in Chongqing (Chongqing Federation of Industry and Commerce)

Annual Model Foundation

"Annual Model Foundation" of China Charity List 2022 (China Philanthropy Times)

Top 50

Forbes China 2022 ESG

Excellent Case

Excellent Case of Social Responsibility of Private Enterprises in China (2022) (All-China Federation of Industry and Commerce)

2022 ESG Key Performance

Economy/Governance

Revenue
RMB 250.6 billion

Core Attributable Profit
RMB 22.5 billion

Total Assets
RMB 786.8 billion

Net Assets
RMB 233.2 billion

Tax Paid
RMB 21.1 billion

MSCI ESG Rating
BBB

Sustainalytics
Risk score of 15.2 points, the best among mainland real estate companies

GRESB
Green 3 Stars, with a disclosed score of A grade

Full investment grade ratings onshore and offshore

S&P	Moody's	Fitch	CCXI	New Century
BBB-	**Baa2**	**BBB**	**AAA**	**AAA**

Environment

In 2022, the proportion of new projects of the Group that met national green building standards reached
100%

In 2022, the proportion of new projects of the Group that met national green building standards of one star or above reached
80%

As of the end of 2022, the Group has accumulated
548
projects that meet national green building standards

As of the end of 2022, the Group has accumulated over
130 million
square meters of projects that meet national green building standards

In 2022, total funds invested in energy-saving renovation projects
RMB20 million

As of the end of 2022, the number of prefabricated construction patents applied by the Group
150

In 2022, the proportion of new projects using air energy
17.0%

In 2022, the proportion of new projects using solar energy
33.1%

In 2022, the Group launched its
first
ground-source heat pump project

Society

Delivered Housing Units
Over 110,000

Delivery Satisfaction Rate
90%

Delivery on Schedule
100%

Customer Satisfaction
90.3%

Total Number of Employees
31,565

Total Number of Cooperative Suppliers
148,308

Charity Donation
RMB 1.8 billion

The footprint of public welfare covers over
50 cities

Accumulated number of People Helped
1.64 million

Total Number of Volunteers
5,300

Cumulative Volunteer Service
Over 21,000 hours

Key Development Milestones

1993

- Longfor Group was established in Chongqing.

1997

- Developed the first residential project, Longfor Garden Nanyuan in Chongqing, which was awarded "National Xiaokang Housing Demonstration Community".

1998

- Chongqing Longfor property management service passed HQKAA's ISO 9001 certification test.
- Establishment of property management division marking the Group's start in the property management business.

2001

- Developed the first villa project, Fragrant Garden in Chongqing to foray into high-end residential development.

2002

- Set up commercial operation department, starting our business in commercial operation.

2003

- Launched the first commercial project, Longfor North Paradise Walk in Chongqing.

2004

- Started the recruitment system for management trainee and built a national talent recruitment and development system.

2005

- Expanded into Beijing and started national market expansion.

2009

- Listed on the main board of the HKEX.
- launched three commercial property brands, i.e. Paradise Walk, Starry Street and MOCO.

2010

- Included into MSCI China Index.

2015

- Established Longfor Leadership Development Center to build a deep talent pool.

2017

- Opened the first Goyoo store and started national market expansion; Entered into Hong Kong, deepening the overall plan in the Greater Bay Area.

2018

- Released the strategy of "SaaS, Space as a Service," Longfor Properties renamed to Longfor Group with a new brand logo;
- Upgraded Longfor Property Management to Longfor Smart Service.
- Set up Guangcai • Longfor Special Fund for Educational and Poverty Alleviation with a fund size of RMB300 million.
- Released the elderly-care brand "Ever Spring".
- Launched the urbanization project "Longfor Hangzhou Binjiang Blue Engine".

2019

- Became a constituent of HSCEI.
- Set up the "Longfor-Palace Cultural Development Fund" with fund size of RMB100 million to help the development of cultural preservation in the Palace Museum.

2020

- Formally established the ESG Committee and set up a firm-wide ESG working group to lead the administration of ESG efforts in a systematical way.
- Included into HSCEI ESG 50 Index.
- Founded Longfor Foundation, setting a milestone in the systematic development of public welfare.
- Launched China's first HSR TOD project, Longfor Jinsha Paradise Walk, in Chongqing.

2021

- Included into the Hang Seng Index.
- Established a Special Team responsible for all carbon-related issues.

2022

- **Launched a new space service brand "Longfor Intelligent Living".**
- **Launched a new smart construction brand"Longfor Smart Construction".**
- **Set a carbon reduction target of 15% reduction in carbon emission intensity per unit area by 2030.**
- **Set quantitative targets for safety production: zero production safety accidents of average or above level within our responsibility; 5% decrease in production safety accidents of the average or above level of related-party responsibility compared with the previous year.**

Stakeholder Communication

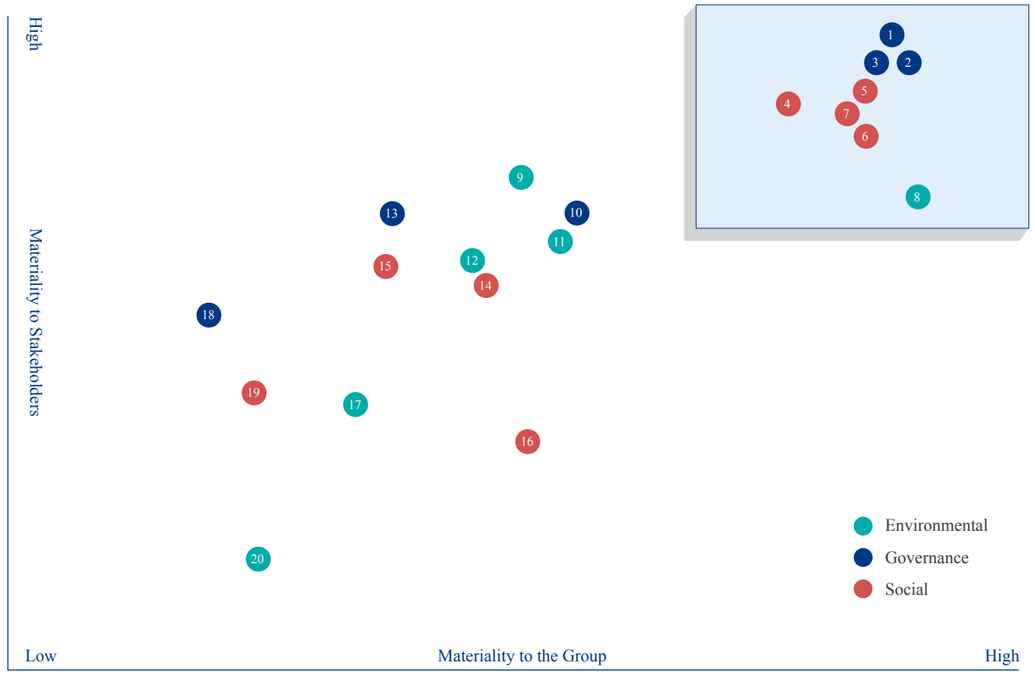
Longfor Group attaches great importance to communication with stakeholders and has established various communication channels and effective mechanisms to actively respond to the demands and suggestions of multiple stakeholders. We consider the communication and cooperation with stakeholders to be integral to ESG management. Therefore, we continually revise and update the Group's sustainable development strategies and actions accordingly.

Stakeholders	Main Concerns	Main Communication Channels	Main Countermeasures
Government/ Regulatory Authorities	▪ Legal compliance ▪ Response to national strategy ▪ Economic and social impacts ▪ Anti-corruption and antitrust	▪ Governmental conferences ▪ Policy indications ▪ Project collaboration ▪ Supervision by governmental agencies ▪ Daily communication	▪ Response to governmental calls ▪ Implement national housing policies ▪ Operate in legal compliance ▪ Establish and refine anti-corruption mechanism ▪ Facilitate urban development
Shareholders/ Investors	▪ Corporate governance ▪ Economic and market performance ▪ Investment return and growth ▪ Information disclosure	▪ Shareholders' general meeting ▪ Regular reports and corporate announcements ▪ Investor relations activities ▪ Email communication ▪ Investor teleconference	▪ Operate stably and progressively ▪ Improve corporate governance ▪ Facilitate information disclosure ▪ Enhance investor relation management
Customers	▪ Product quality ▪ Privacy security ▪ Response to demands ▪ Management service	▪ Customer satisfaction survey ▪ Customer relations management ▪ Customer visit and communication	▪ Refine customer service process ▪ Reinforce safety and quality inspection ▪ Improve privacy protection ▪ Upgrade the quality of product and service
Employees	▪ Legitimate rights and interests ▪ Remuneration and benefits ▪ Development and promotion ▪ Occupational health and safety ▪ Working environment ▪ Equal communication	▪ Employee training ▪ Employee engagement survey ▪ Employee suggestion feedback mechanism	▪ Protect the legitimate rights and interests of employees ▪ Provide a competitive remuneration system ▪ Offer diversified training programs ▪ Expand employee benefits ▪ Create a comfortable and harmonious working environment ▪ Improve employee engagement and satisfaction
Cooperative Partners	▪ Legal compliance ▪ Business ethics ▪ Economic and market performance ▪ Customer relations management ▪ Long-term partnerships	▪ Project collaboration and negotiation ▪ Evaluation and survey ▪ Communication and visit for daily business	▪ Comply with contractual requirements strictly ▪ Improve the Company's credit ▪ Strengthen qualification review ▪ Expand business fields ▪ Maintain stable collaboration
Community	▪ Economic and social impacts ▪ Public welfare ▪ Charitable activities	▪ Community project ▪ Regular communication with community representatives and media ▪ Donation ▪ Charity events and voluntary service	▪ Participate in community building ▪ Actively participate in public welfare and philanthropic activities ▪ Interest employees in volunteering activities
Environment	▪ Resource consumption ▪ Emission management ▪ Environmental protection ▪ Biodiversity protection ▪ Response to climate change	▪ Pay heed to environmental protection ▪ Collaboration on environment protection projects ▪ Collaboration with associations	▪ Promote the design and application of green buildings ▪ Actively reduce energy consumption and greenhouse gas emission and apply green technologies ▪ Implement green office practices and encourage a green lifestyle ▪ Identify and assess risks and opportunities of climate change and devise corresponding responses

Longfor Communication Mechanism with Stakeholders

Identification of Material Issues

The Longfor Group prioritizes identifying, evaluating, and managing sustainability topics. Accordingly, we have developed a materiality matrix based on the Company's business layout and development, the HKEX's compliance requirements, mainstream ESG rating systems in the capital market, peer best practices, and the expectations and demands of various stakeholders. Building on the results of the assessment of material issues, we will target our responses to the critical concerns of stakeholders and disclose them in the Report.



Longfor Material Issues Matrix FY 2022

Materiality		Material Issues	Scope
High	1	Engineering Quality and Safety	Governance
	2	Legally Compliant Operation	Governance
	3	Anti-corruption and Integrity	Governance
	4	Protection of Employees' Rights and Interests	Social
	5	Occupational Safety and Health	Social
	6	Service Quality and Customer Satisfaction	Social
	7	Customer Information and Privacy Protection	Social
	8	Design and Application of Green Building	Environmental
Medium	9	Energy Conservation and Emission Reduction	Environmental
	10	Supply Chain Management	Governance
	11	Response to Climate Change	Environmental
	12	Waste Management and Pollution Prevention	Environmental
	13	Technological Innovation	Governance
	14	Community Communication and Integration	Social
	15	Employee Career Development	Social
	16	Intellectual Property Protection	Social
	17	Water Resource Management	Environmental
Low	18	Industry Development	Governance
	19	Public Welfare and Charity	Social
	20	Biodiversity	Environmental

01 Refining Governance

and Operating Compliantly

Longfor Group has consistently held that sound corporate governance is the bedrock of sustainable development. We are committed to achieving our sustainable development objectives by continuously enhancing our corporate governance capabilities, risk management mechanism, and response to stakeholder concerns.

ESG Material Topic(s) Responded in this chapter:

- Legally Compliant Operation
- Anti-Corruption and Integrity

SDGs Goal(s) Responded in this chapter:

Corporate Governance

The Longfor Group strictly adheres to the *Company Law of the People's Republic of China* and all other applicable laws and regulations. We have established a sound and efficient corporate governance structure to enhance its corporate governance continuously. As the highest governance body of the Group, the Board of Directors is responsible for leading and supervising the Group's business, strategic policies, and performance, as well as performing corporate governance duties, such as formulating and reviewing the Group's corporate governance policies and practices, monitoring and reviewing the training and sustainable professional development of directors and senior management, and the Company's policies and procedures in complying with legal requirements. The Board of Directors of the Longfor Group has nine members as of December 31, 2022, including four executive directors, one non-executive directors, and four independent non-executive directors. The Board consists of an Audit Committee, a Remuneration Committee, a Nomination Committee, an Investment Committee, and an Environmental, Social, and Governance Committee to ensure the Board's effective operation (the duties of the Board and the committees can be found in the "Corporate Governance Report" section of the 2022 Longfor Group Annual Report). During the Reporting Period, the Board of Directors held 4 meetings with 100% attendance rate.

the Board of Directors held

4 meetings

Attendance rate

100%

Executive Directors	Independent Non-Executive Director	Independent Non-Executive Directors
Mr. Chen Xuping (Chairperson and CEO) Mr. Zhao Yi（CFO） Mr. Zhang Xuzhong Ms. Shen Ying	Mr. Xia Yunpeng	Mr. Frederick Peter Churchouse Mr. Chan Chi On, Derek Mr. Xiang Bing Mr. Leong Chong

Audit Committee	Environmental, Social, and Governance Committee	Remuneration Committee
Mr. Chan Chi On, Derek (Chairperson) Mr. Frederick Peter Churchouse Mr. Xiang Bing	Mr. Chan Chi On, Derek (Chairperson) Mr. Chen Xuping Mr. Frederick Peter Churchouse Mr. Xiang Bing	Mr. Leong Chong (Chairperson) Mr. Xia Yunpeng Ms. Shen Ying Mr. Chan Chi On, Derek Mr. Xiang Bing

Investment Committee	Nomination Committee
Mr. Chen Xuping Mr. Zhao Yi Mr. Xia Yunpeng Mr. Zhang Xuzhong Mr. Su Xizhen Mr. Chang Keyi	Mr. Xiang Bing (Chairperson) Mr. Chan Chi On, Derek Mr. Xia Yunpeng

Longfor Group has established the *Board Diversity Policy* [1] because we view board diversity as crucial for achieving sustainable development. We consider various factors, including but not limited to professional experience, cultural and educational background, specialization skills, gender, age, and length of service, when selecting board members. In addition, we regularly review the implementation of board diversity to promote balanced and sustainable corporate development.

Strategy/ Business Focus	Mr. Chen Xuping	Mr. Zhao Yi	Mr. Zhang Xuzhong	Ms. Shen Ying	Mr. Xia Yunpeng	Frederick Peter Churchouse	Mr. Chan Chi On, Derek	Mr. Xiang Bing	Mr. Leong Chong
Finance	✓	✓	✓		✓	✓	✓	✓	✓
Industry	✓	✓	✓	✓	✓	✓	✓		✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regulatory Authorities/ Public Relations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Expertise in International Projects	✓	✓	✓	✓	✓	✓	✓	✓	✓

Tenure of Office	Gender	Position	Education Background	Serving as a Director of Other Companies
Less than 5 years **5**	Male **8**	Executive Director **4**	Doctor **1**	Yes **4**
5-10 years **1**	Female **1**	Non-executive Director **1**	Master **6**	No **5**
More than 10 years **3**		Independent Non-executive Director **4**	Undergraduate **2**	

Board Diversity Dimensions

Longfor Group is committed to establishing an investor communication channel that is efficient and diverse. We maintain regular and effective communication with investors through interim/annual reports, HKEX announcements, performance presentations and roadshows, investor forum events, and an exclusive email for investor relations. In 2022, the Group released 99 announcements, hosted more than 130 investor visits and teleconferences from domestic and foreign investors, held 2 online result briefing conferences, organized more than 40 roadshows, and held one shareholders' general meeting.

[1] https://www.longfor.com/upload/file/2022-07-14/0cd33318-49ac-42be-b561-6418d350baf6.pdf

Sustainability Management

Longfor Group continues to enhance the Company's ESG governance and refine the ESG governance structure. We have established a Board-level ESG Committee, chaired by Mr. Chan Chi On, Derek, an independent non-executive director, with other members, including the Chairman of the Board and two independent non-executive directors, to assist the Board in supervising the sustainable development management policy and to ensure the balance and effectiveness of ESG decisions. The ESG Committee is accountable for the overall management of ESG-related issues. Its primary duties include formulating and deliberating the Group's ESG strategic direction, reviewing ESG risks and opportunities, and evaluating ESG performance. In addition, the Company has established an ESG Working Group to promote the implementation of ESG work by connecting all business lines and functional departments and providing the ESG Committee with regular reports and updates. The *Terms of Reference of the ESG Committee* [2] of Longfor Group outlines the roles and responsibilities of the ESG Committee. In 2022, the ESG Committee held two meetings with complete attendance.

ESG committee meetings

2

Attendance rate

100%

ESG Committee

ESG Working Group

• Investment and Development Department	• Finance Department	• Digital Intelligent Engine
• Operation Engineering Department	• Human Resources Department	• Dual-Carbon Team
• Research and Development Department	• Administrative Platform	• Elderly-care
• Supply Chain Management Department	• Business Development Department	• Longfor Intelligent Living
• Customer Insight Department	• Internal Audit Department	• Goyoo and urbanization project
• Brand Department	• Legal Affairs Department	• Commerce
• Marketing Department	• Safety and Innovation Department	• Longfor Smart Construction

ESG Governance Structure of Longfor Group

We continue to improve our ESG management system and establish multi-dimensional goals for the environment, society, and governance to enhance the Longfor Group's ESG management capability on a comprehensive and multi-level scale.

[2] https://www.longfor.com/upload/file/2020-08-26/653dc7d0-482f-4339-b192-f5896ef07ee0.pdf

Green Finance

Longfor Group has actively implemented the concept of green finance. We established the Company's green finance framework[3] in 2020 and obtained certification from independent third-party rating agencies, thereby making a significant step towards green finance. During the Reporting Period, the Company continued to promote sustainable development management, vigorously develop green buildings, and actively construct Sponge and Smart Cities by utilizing green finance opportunities.

2017

The National Development and Reform Commission approved the Group's plan to issue three green bonds with total offering size of RMB4.04 billion to develop the new Chongqing Longfor Lijia project and Shanghai Hongqiao Business District Phase I No.5 plot.

Cumulative issue size

RMB 4.04 billion

2020

The Group established a green finance framework. With strong financial standing and extensive experience in green building development, the Company has obtained the green certification and the Second-Party Opinion[4] from Sustainalytics, a third-party organization, to be fully prepared for the future issuance of green bonds. All funds raised from the green bonds would be strictly used for the financing and refinancing on qualified green projects. The Group will disclose the use and allocation of funds in the annual sustainability report. The Group has established a special working group to concentrate on the development and certification of green building projects and implement the development and management of green projects systematically.

2022

The Group was approved for a HK$3.45 billion syndicated loan facility with the SLL framework (Sustainability Linked Loan Framework). It requires the Company to select three ESG-related indicators and set corresponding goals, the attainment of which will result in cost savings. Therefore, to actively monitor and improve the Company's sustainability performance, Longfor Group has established annual greenhouse gas emission intensity goals, water intensity goals (including water consumption by general contractors), and the goal of raising the percentage of female employees in the total.

[3] https://www.longfor.com/upload/file/2020-12-04/2128f677-2b72-472b-82f3-541c1b32d8af.pdf

[4] https://www.longfor.com/upload/file/2020-12-04/3f814d42-9563-42a0-8e45-546c19f2135e.pdf

Risk Control

Longfor Group adheres to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Companies Ordinance* of Hong Kong, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, and other relevant laws and regulations, as well as advanced international laws and regulations. Furthermore, we refer to our peers and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal control framework. We have established the *Longfor Risk Management System, Empowerment Platform Audit Accountability Mechanism*, and other internal policies to ensure the quality of risk management and the effective implementation of duties on all levels.

The Group applies a "Three Lines of Defense" approach to ESG risk management. We conducted self-examination and self-correction activities in 2022, primarily in the first and second defense lines, and enhanced the effectiveness and compliance of relevant systems in response to the more than 5,000 self-examination issues identified. In the third defense line, we bolstered business empowerment on levels including case propagation, methods, and approaches to increase the integration and suppleness of business connections.

Board of Directors

- Serves as the body ultimately responsible for guiding and making decisions on the Group's risk management policy, system, response, and solution.
- Assess the Group's risk propensities and reign the risk management capacity.

The Audit Committee、Internal Audit Department and Safety and Innovation Management Department

- Appointed by the Board to monitor and guide the Company's implementation of risk management.
- Review annual risk management report.

Risk Management Team

- Refine risk management system. Implement management process
- including risk identification, assessment, solution, and risk management report. Update the risk database, monitor the solution implementation
- annually, and compile and deliver the risk management report.

Risk Management Institution Structure

First Line of Defense

Management of Business Departments

Staff

Second Line of Defense

General Manager of Business Line

CEO (Leader)

CFO (Deputy Leader)

Third Line of Defense

Audit Committee

Internal Audit Department

Safety and Innovation Management Department

Three Lines of Defense

Longfor always adheres to the principles of compliance management and risk reduction to maintain a solid financial position and excellent financing capabilities. Throughout the year, Longfor conducted risk identification and assessment, drew the Group's risk map for 2022, which included 16 medium-level and 9 low-level risks, and identified the top 10 risks and their solutions in 2022 based on vulnerability and impact assessment methods. In addition, we monitor and report on the implementation of risk management efforts regularly to minimize their impact on business operations.

- **Economic fluctuations, policy changes, and the impact of unforeseen events**
- **Talents**
- **Cashflow**
- **Project delivery**
- **Strategic positioning and business combination**
- **Customer complaints**
- **City layout and lot selection**
- **Digital transition**
- **Supply and Stock**
- **Business operation and talent supply**

Top 10 Risks for Longfor Group in 2022

The Group developed a risk-based audit plan in 2022, taking into account corporate strategy, business development trends, business volume, and scale. Meanwhile, Longfor continued to pay attention to commercial ethics in annual audit projects, follow-up on reported investigation leads, and special investigations. If any violation of commercial ethics is found, we will carry out timely reporting and handling to ensure that a commercial ethics audit is conducted at least once every three years to cover all business lines. Throughout the course of the year, the Group completed more than 17 audit projects, followed up on more than 380 report investigation leads and more than 10 special investigations, and made a total of 125 audit findings, including 15 systematic loopholes and 58 major defects, with a 100% completion rate of rectification and direct recovery of losses totaling 23.98 million.

Audit projects completed by the Group

17+

Report investigation leads followed up on by the Group

380+

Special investigations completed by the Group

10+

Audit findings

125

Completion rate of rectification

100%

Direct recovery of losses

RMB 23.98 million

Business Ethics

Longfor Group abides by the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Prevention of Bribery Ordinance*, and other applicable national and local policies and regulations, and opposes all forms of corruption and bribery. The Audit Committee is responsible for the daily supervision and management of business ethics issues. The *Code of Longfor Business Conduct*[5] (hereinafter referred to as the "*Code of Conduct*") articulates the business compliance requirements covering the management and all employees of the Company. The *Code of Conduct* prohibits employees from giving, soliciting, or receiving improper business benefits, inappropriately using and misappropriating corporate property, concealing conflicts of interest and reckless disregard for the interests of the Company, disclosing business secrets, and other improprieties. In May 2022, the Company updated the *Code of Conduct* to include anti-money laundering provisions in addition to provisions prohibiting bribery, corruption, and unfair competition. We require all employees, including executives and new hires, to sign the *Code of Conduct*. In 2022, 100% of the Group's employees had done so. During the reporting period, there was no corruption lawsuit filed.

Percentage of employees who have signed the Code of Conduct by 2022

100%

Longfor Reporting Channel for Business Ethics:

Email: ljjb@longfor.com

Hotline: 400-604-0988

Website: https://www.longfor.com/contact/36/1/

Mail:

Longfor Blue Engine Industrial Park, Building 6, No.8 Beiyuan Xiaojie, Chaoyang District, Beijing

Recipient: Internal Audit and Investigation Team of the Group

Zip Code: 100012

[5] https://www.longfor.com/upload/file/2022-05-27/155b26f2-df79-4d83-9394-6778a00317be.pdf

We provide multiple channels for reporting business ethics issues. We have revised the reporting process and procedures in 2022 and designated a person in the 400 customer service center to answer integrity reporting calls to improve efficiency. Based on the existing business system, Longfor Group redirects reporting clues such as customer complaints and management clues with less potential risk to the business departments for expedited processing, with the internal audit and investigation team responsible for clues with higher risk to form an effective closed-loop management. In 2022, the Group received 382 valid reports through the anti-fraud reporting channel, 367 of which were completed and 15 were still under investigation.

The Company has formulated the *Whistleblower Protection Policy*[6] and updated the *Empowerment Platform Whistleblower Protection System* in May 2022 to enhance the whistleblower protection mechanism. To protect the rights and interests of whistleblowers, we keep the information of whistleblowers and the content of reports strictly confidential and prohibit retaliation against whistleblowers in any form strictly.

To enhance the anti-corruption awareness of employees and contractors and to create a clean business environment, the Company organized continuous online training on business ethics for all employees (including contractors and part-time employees) during the Reporting Period, with a total of 22,000 participants viewing, over 7,500 completers, over 4,784 total training hours, and a 100% pass rate on business ethics exams.

[6] https://www.longfor.com/upload/file/2022-05-27/3496a0d3-e468-4a5c-a9bb-aecab41680d5.pdf

Online training on business ethics in 2022

Business ethics online training was viewed by

22,000 participants

Completed by over

7,500 employees

Total training exceeded

4,784 hours

Business ethics exam pass rate of

100%

02 Sharing with Customers

the Best Service

Longfor Group is committed to providing its customers with a “Comfortable and Surprising” experience. We develop diversified businesses, promote the application of intelligent technology, and guarantee the quality of our products and services. We adhere to the “Customer First” principle, continuously collect customer feedback, make every effort to provide multidimensional protection for our customers and strive to improve customer satisfaction.

ESG Material Topic(s) Responded in this chapter:

- Community Communication and Integration
- Customer Information and Privacy Protection
- Technological Innovation
- Service Quality and Customer Satisfaction
- Engineering Quality and Safety

SDGs Goal(s) Responded in this chapter:

Diversified Service

With the motto "For You Forever", Longfor Group has outlined five major business sectors, including property development, commercial investment, rental housing, property management, and Smart Construction, and developed services that reflect the brand's identity.

Property Development

Longfor Group has been deeply involved in the real estate industry for three decades and has an extensive background in industrial development. We keep abreast with the progression of time, respond proactively to changes in the market environment, and continuously enhance our business capabilities. Longfor Group highly values customers who purchase houses, strictly controls the quality of houses, views delivery as the central task of real estate development, and guarantees delivery with peace of mind. In 2022, Longfor Group delivered over 110,000 sets of high-quality houses, all of which were delivered on time. Over 40% of the projects were delivered more than a month ahead of schedule, with customer satisfaction reaching 90%.

On-time delivery

100%

The percentage of projects that delivered more than a month ahead of schedule was over

40%

Customer satisfaction reached

90%

The Honors of Longfor Real Estate Development

Projects that received the "Guangsha Prize", the top award in China's comprehensive real estate development industry

7

Projects that received the "Zhan Tianyou Award", the highest award in China's civil engineering industry

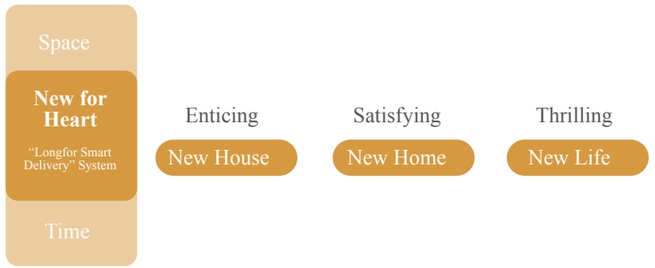
15

Projects that received the "Luban Award", the highest award for engineering quality in China's construction industry

1

"Longfor Smart Delivery" System

Longfor introduced the Smart Delivery System in 2022, which sticks to the core philosophy of "New for Heart" and incrementally improves the concept and practice of property delivery. We have insight into customers' desire for a higher quality of life. We deem "Delivery End" as a starting point to develop a delivery system encompassing three value dimensions: "New Residence", "New Home", and "New Life" to provide owners with a complete life cycle of services.



Core Concept Model of "Longfor Smart Delivery" System

High-Quality Delivery Projects of Longfor

Zhengzhou – Jinglin Jiuxu

Zhengzhou Jinglin Jiuxu Project Delivery Ceremony

- Longfor completed the project 120 days ahead of schedule in mid-August 2022, making it the first model project in Zhengzhou High-tech Zone to realize certificate issuance upon completion. The customer's representative presented Longfor Real Estate with a ding to represent "One Word Worthy of Nine Dings," fully reflecting the customer's recognition of Longfor's delivery competency.

Wuhan Tianxi

Wuhan Tianxi

- We delivered Longfor Tianxi half a year ahead of schedule by the end of December 2022. The project created beautiful landscapes of five gardens and sixteen scenes, forged a refined and luxurious community, and has received high satisfaction from customers and recognition from peers, winning the 2022 National Top Ten Delivery Competency for Luxury Residence by CRIC.

Guangzhou - Lanjing

Guangzhou Lanjing

- Guangzhou Lanjing project integrates various functions such as all-age children's amusement park, 360-degree all-view pool clubhouse, all-age elevated floor activity space and multi-functional central landscape meeting room to create an all-age living scene. With the competencies in high-quality delivery and space creation, the customer satisfaction rate reached 97% after delivery.

Changsha – Chunjiang Tianxi

Quality Inspection

- Before delivery, Longfor Chunjiang Tianxi landscape team coordinated with customer service, landscape and other units to carry out more than three comprehensive inspections for engineering quality, avoiding and solving possible problems in advance to ensure that the problem-solving rate reached 100% before delivery.

Shenyang - Yunsong

Shenyang Yunsong

- On December 23, 2022, Shenyang Yunsong project achieved one-week-early delivery. 270 customers of 6 houses in Phase I moved in and enthusiastically gave feedback on Longfor's high delivery quality after exploring their new homes.

Full Life Cycle of Service under the "Longfor Smart Delivery" System

Life Cycle Phase	Services
Pre-delivery	• During the preliminary stages of house design and construction, we carefully select materials, strictly follow the appropriate standards, and apply proven techniques. • In the quality inspection stage, we organize multi-level inspection seminars to realize the control of every detail. • We arrange Site Open Day and let professional engineers explain in detail so that customers can visualize the architectural details of their new homes.
Delivery	• We provide "Cloud Delivery" and other digital intelligent platforms to improve our customers' delivery experience.
Post-delivery	• We provide a comprehensive quality guarantee system. • Combine 20+ intelligent products to facilitate convenient life. • Organizing versatile community events. • Offering house renting, relocating, home elderly healthcare, and other value-added services.

Commercial Investment

Longfor commercial adopts "Group acts as the coordinator to link each region and project" as its mode of operation. The Company collaborates with thousands of partner brands and merchants to create the ultimate joyful experience for customers. Since its establishment in 2000, Longfor Commercial has gone through 22 years of sustainable development. As of December 31, 2022, Longfor Commercial has owned 76 shopping malls.

The cumulative number of operating shopping malls

76

Longfor Commercial Map in 2022

The grid layout is emerging, and the business map continues to expand.

76 opened shopping malls with an opening area of **7.22** million m², acquired **139** projects with a total commercial area of **12.83** million m², Among which, **114** heavy-asset projects and **25** light-asset projects.

National layout is taking shape

Chongqing/Chengdu

Bedrock of Longfor Commercial

Xi'an

1st step of national expansion

Beijing

Paradise Walk's introduction to 1st-tier city

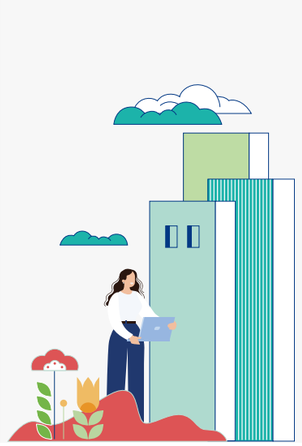
Hangzhou

1st Paradise Walk in eastern China

Shanghai/Suzhou/Nanjing/Changzhou/Wuxi/Hefei/Hangzhou/Xiamen/Ningbo/Shaoxing/Beijing/Tianjin/Shijiazhuang/Ji'nan/Shenyang/Qingdao/Yantai/Wuhan/Changsha/Nanchang/Chengdu/Xi'an/Lanzhou/Kunming/Chongqing/Guangzhou/Dongguan/Haikou/Nanning/Shantou/Zhengzhou/Leshan

Longfor Commercial is committed to becoming the industry leader in refined operations. We adhere to the idea of commercial grid layout and galvanize high-quality assets by combining city rating and segment rating and other considerations to effectively guarantee the stable growth of the asset plate. Longfor commercial is subdivided into two product lines, Paradise Walk and Stary Street, which provide flexible and diverse commercial scenarios to meet the needs of different customer groups in other regions.

Two Business Lines of Longfor Commercial



Paradise Walk

- Urban shopping center for middle-income and other emerging families, a one-stop commercial complex with shopping, dining, leisure, entertainment, and other businesses.

Stary Street

- Community shopping centers, based on regional characteristics, with a volume of 30,000-50,000 square meters, which provide flexible and diverse commercial combinations for residential communities/business offices/specialized public areas, etc., to meet the living and shopping needs of community residents, business white-collar workers or people in the neighborhood.

Longfor Commercial focuses on developing digital intelligence empowerment and has developed a variety of small programs and applications to integrate functions and carefully provide quality services for tenants and customers.

Longfor Xiaotian APP

- It provides tenants with quality operational management services such as performance statistics, property management, promotion and insurance;
- It improves the efficiency of front-line operations management.

Providing quality operation services for tenants

Operation Management	Value-added Services	Ecology Construction
Performance Statistics	Property Management	Commercial Incentives
Convenient Payment	Promotion Services	Membership Management
Move-in Management	Insurance Services	Shared Economy

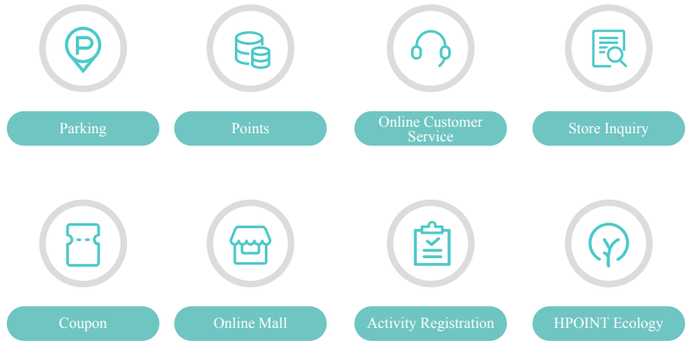
Functions of Longfor Xiaotian APP

Interface of Longfor Xiaotian APP

Longfor Paradise Walk Mini Program

- It serves consumers with one-stop integration of parking, points, online mall, online customer service, store inquiries and other functions;

Building a one-stop online mini program for consumers



Functions of Longfor Paradise Walk Mini Program

Interface of Longfor Paradise Walk Mini Program

In addition, Longfor Commercial actively promotes original IP activities nationwide. We form a deep emotional connection between people and the mall by connecting online and offline consumption scenarios, and creating a space that carries beautiful memories for customers.

Longfor Commercial launched “Paradise Walk Temple Fair” IP

The “Paradise Walk Temple Fair” joined the family of Longfor's original commercial IP events in 2022. The Chinese New Year is the most important time for shopping malls to make an impact because it is when family re-unions, friends hang out, and reach their emo-tional peak. Taking advantage of the Chinese New Year reunion, “Paradise Walk Temple Fair” provides consumers with a one-of-a-kind shopping, entertainment, and socializing experience through the organic combination of traditional culture and new consumption.

Hangzhou Paradise Walk Temple Fair

Rental Housing

Longfor Group has created Goyoo, the Longfor brand of rental housing, based on its in-depth understanding of the characteristics of the new generation's rental life pattern and the demand for an upgrade in consumption. Longfor's mission has always been to "Create a Warm and Bright Node for Urban Youth." Through the accumulation of service and product innovation, we keep improving the renting experience.

Longfor Goyoo segments the market and launches different product lines to match the needs of different rental clientele precisely.

All Customer Groups	White-Collar Customers	Gold-Collar Customers	Blue-Collar Customers	Family-oriented Customers	Customizing Customers
All Scenarios	**Pine Nut**	**Walnut**	**Bean**	**Peanut**	**On-demand Customization**
	Main Product	**High-End Product**	**Dormitory Product**	**Community Product**	**Customized Product**
	Standardization + Standard Configuration, High Configuration, Low Configuration Three Major Optional Packages Applicable to projects with over 85% suitability	Functionality, Storage, and Beauty Full Upgrade Applicable to projects in core areas	Double Room Quadruple Room Six-person Room	Residential Unit Type Whole Rental/ Shared Rental	Provide tailored products through customer interviews, portrait depiction, and behavioral research
	Standardized Packaging + differentiated Adaptation				Customized design according to customer needs

Goyoo launched Goyoo the City Resource Hub for Generation Z with a focus on the community and youth culture, advocating a non-isolated rental ecology that integrates "residence", "commerce", "office", "socialization" and "service" ecosystems to provide a better rental experience for urban youth.

Full lifecycle security assurance

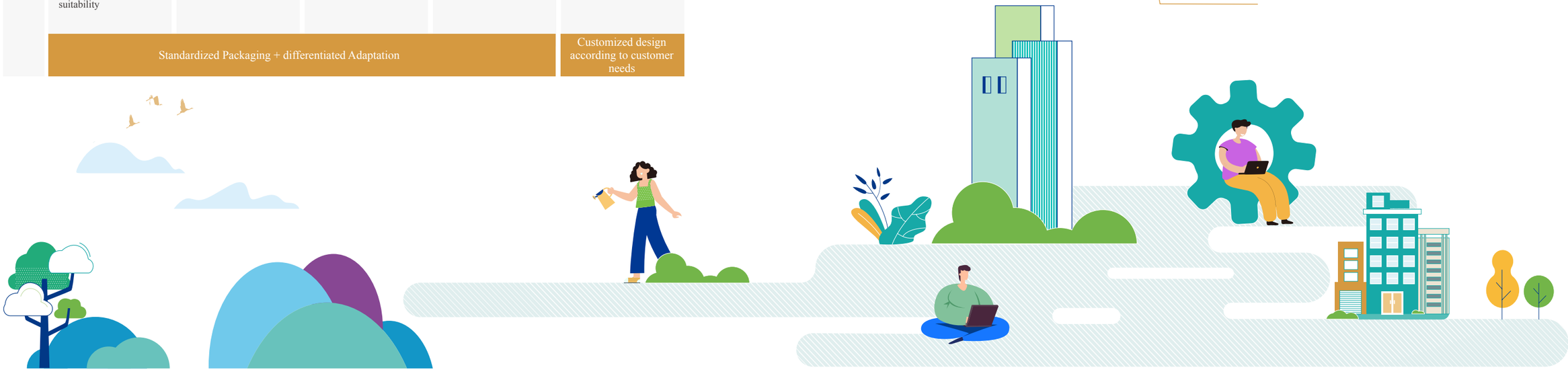
- Big brand
- Intelligent products
- Safe product design
- 24-hour security
- Reassuring value-added service experience

Uniquely customized rights and benefits

- Unique ID Card/Sign
- Special Membership Growth System
- Exclusive Customized Aesthetic Space
- Exclusive Merchandise
- Exclusive Community Space

- Like-Minded Neighbors
- Colorful and Active Community
- Rich and Diverse Activities

Living Circle with Friendly Neighbors



Longfor Goyoo Continued to Promote Public Rental Housing Projects

As one of the first real estate companies in China to enter the rental housing market, Longfor has actively responded to the national "14th Five-Year Plan" and vigorously promoted the construction of public rental housing to protect the basic housing needs of new citizens, assuming the role of "Leading Goose" in the real estate industry. As of the end of the Reporting Period, Goyoo has presented in over 34 megacities throughout China, with over 110,000 units opened, which is widely recognized within the industry. Currently, Goyoo public rental house has been established in 15 cities, including Beijing, Chongqing and Tianjin, with a total of over 20,000 units in operation and another 20,000 units in the process of application for insurance, providing a welcoming environment for new citizens and young adults to live comfortably.

Beijing Guogongzhuang MTR Station Apartment

- It is Beijing's first "non-residential" building conversion tenancy housing project. Longfor Goyoo's commercial operation and management team leased an empty office building, renovated it, and turned it into a 728-unit housing rental project. The project has completed the conversion of 277 suites in Phase I by the end of the Reporting Period and successfully entered the market. The conversion of "non-residential" buildings into rental housing aids in the integration of industry and city, the balance of employment and residence, and the living of office workers in the vicinity of the project.

Guogongzhuang Apartment

Tianjin Nankai Wangdingdi Apartment

- It is Tianjin's first batch of guaranteed rental housing projects, with a total of 479 rooms. Longfor Goyoo effectively addresses the rental needs of "new citizens" by focusing on the living preferences of young people through the renovation of the original unused dormitories.

Longfor Gotoo Tianjin Wangdingdi Apartment

Goyoo has also honed its products and services. Its operations have been continuously refined to earn awards such as "2021 MBI Influential Brand of Centralized Rental housing" and "2022 Influential Rental Housing Operation Service Enterprise." In the comprehensive performance evaluation of rental housing announced by the China Real Estate Association, nine projects were selected for five-star certification, with Goyoo performing exceptionally well in all four performance indicators (livable quality, green health, intelligent system, and service management). The Ministry of Housing and Urban-Rural Development has selected some of our Fujian and Suzhou projects to be included on the *List of Replicable and Promotable Experience in Developing Public Rental Housing*.

Property Management

Longfor Intelligent Living is China's leading lifestyle service provider that comprehensively empowers property management and commercial operations with advanced technology, incorporating the core competencies of Longfor Group's property management and commercial operations businesses. Since the launch of property management services in 1998, it have provided property management services for more than 1,800 projects in over 100 cities across China, covering 13 major business modes, including residential, commercial, office, industrial park and urban services. The contracted and strategic cooperation area of Longfor Intelligent Living's property management services reached 520 million square meters as of December 31, 2022, and the site under management reached 320 million square meters.

Longfor Intelligent Living, as part of the "One Longfor" ecosystem, offers three brand benefits to its customers: the "Beauty Life Plan", the "Xiaolongren Plan" and the "Longmin Festival".

The contracted and strategic cooperation area of Longfor Intelligent Living's property management services reached

520 million square meters

The area under management reached

320 million square meters

Beauty Life Plan

The "Beauty Life Plan" is an exclusive value-added service provided by Longfor Intelligent Living for the Longmin families, which includes two particular activities: "Community Maintenance" and "Household Renewal."

Community Maintenance

- To create a permanent outdoor interactive space for Longmin, we are committed to continuously optimizing the ecological environment of the park and maintaining and renewing the five dimensions of "environmental beautification, sports and recreation, convenience and welfare, children's care, and park space".

Playground Flooring Renovation

Flower Gardening

Greenery Renovation

Inter-house Road Renovation

Household Renewal

- To optimize the living perception of Longmin, we offer on-site renewal service to improve the living quality of Longmin households.
- We carry out online activities such as "call for Beauty Life, complete tasks to win HPOINTS, household renewal services, Beauty Life Selections."
- We promote offline creative activities such as "Beauty Life Festival," "Beauty Life Quilt Sunbathing Festival," and "Beauty Life Market" to facilitate Longmin families to upgrade their lifestyle and enhance their satisfaction.

Service Personnel Repairing Vent Hood

Service Personnel Refurbishing the Floor-to-Ceiling Window

Quick Shot at the Beauty Life Quilt Sunbathing Festival

Quick Shot at the Beauty Life Market

Beauty Life Plan - Tapping into the Needs of Longmins

Poster of the Weibo Promotion of Longfor Beauty Life Plan

In 2022, to better comprehend the needs of Longmins, Longfor Group utilized online social media platforms to solicit customer feedback on the Beauty Life Plan. We set up Beauty Life Plan as a trending topic on Weibo to promote discussions such as "What do you expect from this year's Beauty Life Plan?" to assist the Group in comprehending and resolving severe customer problems.

Implementation of Beauty Life Plan in 2022

Household Renewal	Community Maintenance	Beauty LifeReputation
The coverage of 140 cities, 1,548 communities, 300 organized activities	The nationwide coverage of 23 cities, 245 communities	The number of Longmin interacted online exceeded 10,000
The online campaign had 300,000 participants	Completed the renovation of over 10,000 sites	Weibo trending points hit reached 29.33 million

Xiaolongren Plan

The "Xiaolongren Plan" is an exclusive youth development program designed by Longfor Group for customers and commercial member families to cultivate the spirit of exploration and innovation in children and youth through various parent-child activities and to increase customer loyalty through warm services. As a result, the number of "Xiaolomngren Plan" participants has reached a new high. During the campaign, the Group's regional companies held nearly one hundred offline activities in cities across the nation and study camps in 15 cities, with almost one million participants.

During the campaign, offline activities held by the Group's regional companies

100

Implementation of Xiaolongren Plan in 2022

Nanjing

Xiaolongren members taking a picture with the observatory

- Took participants to visit the Purple Mountain Observatory, participate in an exclusive science lecture, learn about astronomy, observe the meteorite museum and celestial sphere instrument, and explore the mysteries of the universe.

Wuhan

Xiaolongren members exploring the fields

- Took participants deep into the fields and countryside to learn about the natural scenery of the rice fields, the rural culture, the stories of the seasons, and to explore the world of ecology. Through activities such as learning to plant rice seedlings, participants better understood "Who knows how hard it is to grow a grain of rice."

Changsha

Quick Shot at the Summer Camp

- Provided customers with various holiday activities such as fun games, parent-child competitions, plant classes, music tour camps on the starry lawn, etc., allowing customer families to get away from the hustle and bustle of the city and enjoy their summer vacation in peace while helping them build a harmonious family environment by solving the "hot potatoes" in parent-child relationships through high-quality activities.

Jinan

Participants taking a picture with the Confucius Statue

- Organized Qufu Study Camp and led participants to the hometown of Confucius, visiting Confucius Mansion, Confucius Temple, Confucius Grove, and other famous sites, watching ancient rituals in Chinese costume, relishing shadow play, learning about the wisdom of our ancestors and feeling the charm of traditional Chinese culture.

Longmin Festival

The "Longmin Festival" is an annual carnival for Longmins. Longfor Group is dedicated to creating happy memories for Longmins, extending the rights and benefits of Longmins to all Longfor consumption scenes, including real estate, Paradise Walk, Goyoo, Intelligent Living, and Gannet Rental and Sale, etc. "Longmin Festival" hosted various online and offline events in 2022, including HPOINT Happy Day, Longmin Chinese Restaurant, Longmin Bazaar, and Longfor Sunshine Farm. These activities aim to provide exclusive benefits for Longmins in the service scenes of Longfor across all channels, interpreting "Longfor-style Happiness" vividly while conveying love and goodwill.

In 2022, the activities held for	Covered	Online and Offline Participants
25 days	65 cities	800 thousands

"Longmin Festival" Activities in 2022

Longmin Charity Auction

- Long Xiaohu flash store with many goodies, camping festivals, house trucks, and other themed bazaars.
- Organize Longmins to participate in second-hand charity auctions;
- Sent HPOINTS gifts to Longmins via the "Longmin Charity Campaign" Weibo interaction.

Longmin Bazaar

Longmin Chinese Restaurant

- Showed off your cooking on the Longmin Chinese Restaurant-themed website to win HPOINT.
- Hosted Longmin Potluck.

Owners enjoy the Longmin banquet

Happy Sports Season

- Organized sports events such as Frisbee, ice skating, and golf, allowing Longmins to strengthen their bodies while promoting friendship and developing a sense of community.

Quick Shot at the Happy Sports Season Site

Convenient Service

- Provided various free and convenient services such as knife sharpening, shoe shining, medical consultation, sewing, haircutting, etc., to improve the sense of happiness of Longmins.

Convenient Sewing Event

Ever Green Party

- Provided a platform for senior residents at Longfor Ever Spring Apartments to showcase themselves and experience their youthful years once again.

Seniors participate in the party sing-along

Smart Construction

Longfor has a profound understanding of future urban development and has devoted itself to the agent construction industry, concentrating on developing "one-stop" smart city solutions. In 2022, we officially launched the "Longfor Smart Construction" Smart Construction brand, implementing the concept of "Build future smart cities" by integrating multi-channel resources to offer customers all-inclusive, full-cycle development and operation services. Thereby we commit ourselves to become the "Smart Construction Leader."

Core Competencies of Longfor Smart Construction

High Quality

Social value + Economic value

Dual-value optimization

Digitalized

Techno-product + Full-lifecycle digitalized solution

Leading industry strength

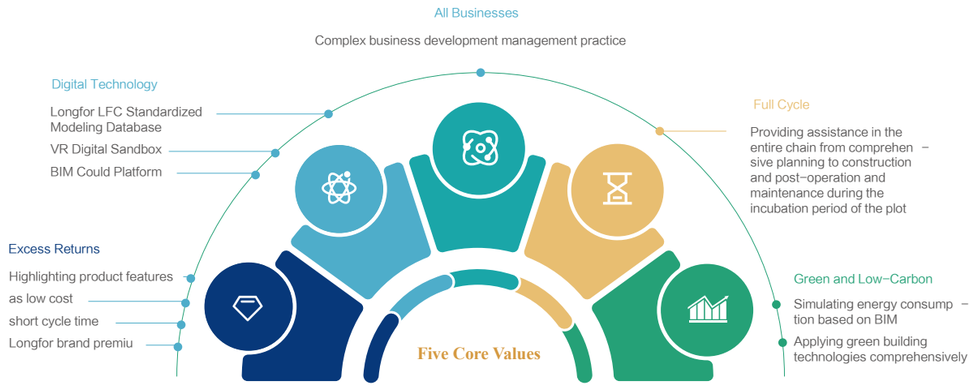
Strong Operation

Constructional operation + Management operation

Full-dimension empowerment

Longfor Smart Construction aggregates six major businesses "flywheels": Longfor Intelligent Research and Planning, Longfor Intelligent Construction Management, Longfor Intelligent Design, Longfor Intelligent Digital Technology, Longfor Intelligent Refined Engineering, Longfor Qianding, providing customers with six product service modules of positioning planning, development management, virtual construction, digital twins, EPC services, and intelligent city comprehensive solutions in a complete strategic ecology.

Longfor Smart Construction will use its rich experience in smart creation and leading digital technology strength to integrate multi-channel resources to win excess returns for customers, provide full industry, full cycle, digital technology empowerment, achieve green and low-carbon development, and continuously creates value for customers.



Since the brand was launched six months ago, Longfor Smart Construction has established good cooperative relationships with industry institutions including state-owned enterprises, local platform companies, AMC, insurance companies, conglomarates, and universities, including Dajia Investment Holdings, CRCDI, and Tsinghua University. Its business has spread to core first- and second-tier cities such as Beijing, Chengdu, Chongqing, Hangzhou, Wuhan, Suzhou, and Jinan. With industry-leading comprehensive strength, Longfor Smart Construction continues to assist in the construction of intelligent cities and create urban spaces that meet future development trends.

Longfor Smart Construction has accumulated nearly 40 construction management projects with a total construction area of over 7 million square meters.

Construction management projects accumulated by Longfor Smart Construction

40

The total construction area exceeds

7 **million square meters**

Hangteng Future Community exploring the new lifestyle

Hangteng Future Community is one of the demonstration benchmark projects of Hangzhou's future community and the first new urban space with the integration of a high-speed railway station and efficient interconnection of industry-city-humanity-nature. As a provincial-level future community in Zhejiang Province, Hangteng Future Community takes "humanization, ecology, and digitalization" as its value orientation and constructs a "9+2+1" scenario operation system, which covers nine scenarios such as transportation, education, services, and entrepreneurship, offering two "All-Scenario Guarantees" and a "Digital Intelligence Platform."

Longfor Smart Construction participated in the design and implementation of Hangteng Future Community. Relying on the solid space creation ability with digital technology as the cornerstone, we developed the "digitalization + innovative operation" solution, offering the community residents sincere and warm services and building a better future for the community with digital technology.

Highlights of Future Community

Community Smart Operation Center

As an urban cockpit with full-scene data visualization, it employs BIM[7]+AIoT[8]+GIS[9], AI video cloud, and other technologies to realize the interconnection of everything and construct a highly intelligent community with real-time feedback. Residents can reserve shared areas and register for community events through the cell phone terminal.

Community Service Network

Create a unified application for residents, linking space, people, and services, and integrating community and life circles.

Community Points

The HPOINT account, an online and offline community points system, has been established to connect residents to various consumption scenarios, including residences, shopping centers, and rental housing.

[7] BIM (Building Information Modeling)
[8] AIoT (Artificial Intelligence of Things)
[9] GIS (Geographic Information System)

Rendering Preview of the Hangteng Future Community

Chongqing Yuelai New District City-level Intelligent Operation and Management Platform

Longfor Smart Construction provided Chongqing Yuelai New District with an intelligent operation and management platform at the city level. The platform effectively addresses the pain point of disorderly management units in Chongqing Yuelai New District and realizes through its powerful visualization function one map control for management-rule integration, one map overview for industrial development, one network unified management for city operation, and one essential dispatch for emergency command.

Highlights of City-level Intelligent Operation and Management Platform

Human-Machine Collaboration Level

Based on the GIS+ graphics engine, a square kilometer-level city space scene can be visualized in 3D. The city-level space's human-machine joint operation and management capabilities can be enhanced by reconstructing behavior trajectory in the twin scene.

Refined Management Ability

Based on BIM+ graphic engine, it connects existing business systems with operation and maintenance data, realizes the numerical-model linkage of building property management components at the city level, and thus refines management.

Safe City Space

Based on IoT data sensing, combined with video cloud and AI algorithms, city-level facilities and equipment can be visualized within the realm of a management force to create a zero-fault safe urban environment.

Interface of the Intelligent City Operation and Management Platform

Craftsmanship Quality

Longfor Group is committed to offering consumers superior products and services. We combine digital means with innovative models to continuously enhance the Group's system for providing excellent customer service. In addition, we advocate for responsible marketing and guarantee customer safety and peace of mind with our craftsmanship spirit.

Product Quality

Longfor Group complies with the *Construction Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, the *Regulations on Construction Project Quality Management*, the *Unified Standard for Constructional Quality Acceptance of Building Engineering (GB50300-2013)*, and other relevant laws, regulations, and standards when conducting business. In addition, we have formulated the *Longfor Rework Management System for Completed Housing Projects, Longfor Property Unit-Specific Inspection Management System, Longfor Regulations on Concrete Quality Management*, *Longfor Project Quality Key Management Actions List*, and other internal systems. In 2022, we continued to hone the Group's quality management system and revised the *Real Estate Headquarters Engineering Quality Management System* to improve product quality standards further.

The Group adopts "Bottom Line" and "High Satisfaction" as its quality system management principles. We place a premium on the standardization of the quality system and actively promote the ISO 9001:2015 certification. The property management business has a total of 20 subsidiaries that received the ISO 9001:2015 certification. At the same time, we delineated the responsibilities of the Group Engineering Department, the responsible departments for leading products, and the management scope of the regional responsible departments and supervision institutions to guarantee the delivery quality of the entire construction project effectively. During 2022, there were no product quality incidents requiring recalls due to unqualified quality inspection, and the inspection pass rate was 100%. In 2022, a total of 220 projects were completed, all passing National Quality Inspection and Acceptance; 174 projects were delivered with no delivery delays or major public relations incidents resulting from quality problems.

We highly value the quality control of our buildings. In terms of material selection, the Group adopts the "preferred brand, centralized procurement, exclusive supply" model, and works with over 250 Group brand suppliers to strictly control material selection. We uphold the spirit of excellence and have developed 74 process methods for the three dimensions of civil engineering, mechanical and electrical engineering, and decoration, and have forged reliable construction standards. In addition, we continuously improve construction processes, creating process systems for leak prevention and control, anti-hollowing, anti-cracking, and fine control of decoration engineering, to effectively ensure product quality. The Group has established a three-level quality control system of "Group-region-project", covering 349 quality key nodes throughout the entire life cycle of construction projects and over 100 different levels of inspection and diagnosis, to achieve comprehensive construction supervision from start to delivery of projects. During the quality acceptance stage of the construction project, we require the property team to conduct final quality inspections on individual units 6 months in advance. Through checking the "78+141" items in the "3+10" major dimensions, we have held over 100 inspection thematic meetings, effectively reducing and avoiding quality risks. In addition, Longfor Group revised its *Management System of Third Party Inspection of Group Projects* in 2022 to eliminate hidden engineering quality issues through third-party inspection.

The total number of projects that were completed by the Group Engineering Department in 2022 was

220

The passing rate of National Quality Inspection and Acceptance

100%

The occurrence of delivery delays or major public relations incidents resulting from quality problems.

0

Three-tiered Quality Inspection System

Sunshine Workshop Program

To provide customers with quality products, we actively promote the Sunshine Workshop program. The exhibition hall of Sunshine Workshop adopts the method of physical and off-site construction of model rooms, which integrates the standard technologies and know-how of housing construction in one location and demonstrates the entire construction process from civil engineering to delivery. Each space is put under the microscope layer by layer to reflect the construction quality in complete transparency.

Changsha – River and City

River and City Sunshine Workshop

Kunming – Jinlin Tianxu

Jinlin Tianxu Exhibition Hall

Yantai – Xinghai Bi'an

Xinghai Bi'an Decoration Material Display

Qingdao – Longyu City

Longyu City Sunshine Workshop

Longfor Group attaches great importance to quality training. We ensure the uniformity of project teams' work standards by enhancing relevant training. Moreover, we assign training on quality standards to regional management and require regional companies to continuously conduct regular training for their employees and suppliers to increase product quality awareness at the grass-roots level. For construction projects, we carry out quality and safety training covering all employees and contractors. In 2022, Longfor Group's Engineering Department conducted 15 training sessions involving quality and safety for employees and contractors, with nearly 2,061 participants.

The number of participants in quality and safety training

2,061 participants

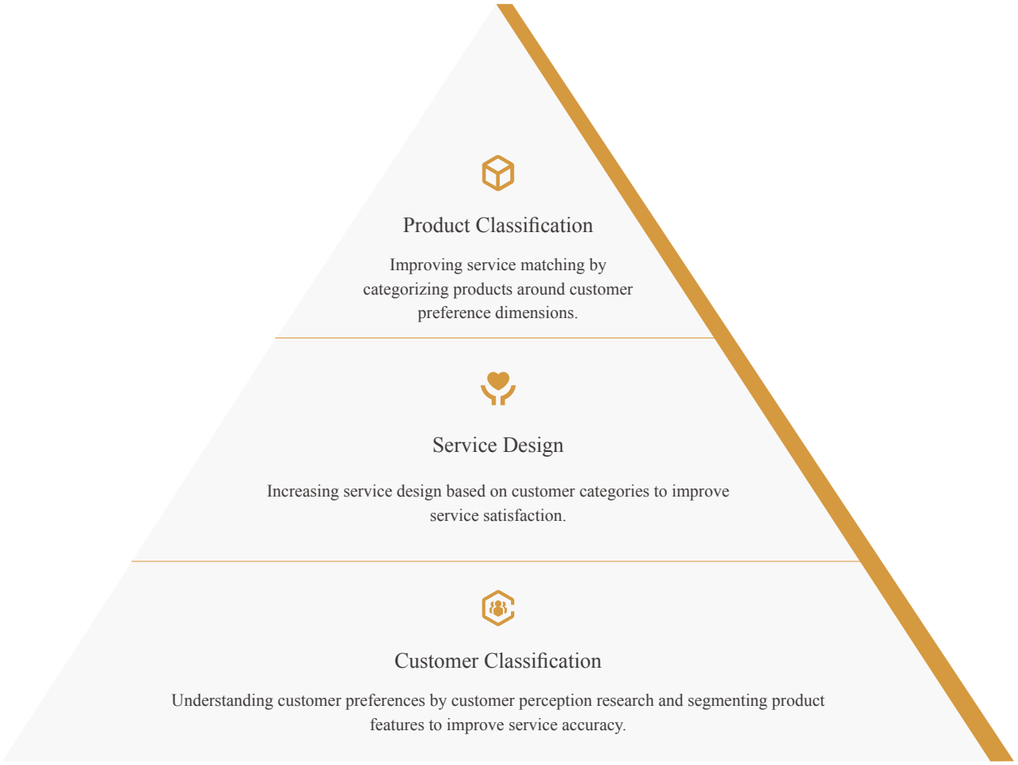
Quality Service

Longfor Group insists on putting customer needs first and adheres to the corporate philosophy of "thinking what customers think." Therefore, we are committed to improving the service system to increase customer satisfaction. We also handle customer complaints appropriately to enhance their service experience wholeheartedly.

Refining Service System

Longfor Group has developed internal systems and guidelines, including *Operational Guidelines for Customer Interviews, Management Measures for House Delivery Evaluation*, and *Grading Service Standards* because we insist on establishing a standardized and institutionalized service system. Simultaneously, the Group uses the three core dimensions of "Customer Classification," "Product Classification," and "Service Customization" to construct a refined service system that embodies the characteristics of the Longfor brand and actively meets the diverse needs of customers.

- Operational Guidelines for Customer Interviews
- Management Measures for House Delivery Evaluation
- Grading Service Standards



Longfor Group Strategic Model for Customer Classification and Product Selection

Longfor Five-dimensional Beauty Living System

Based on real-life scenarios, Longfor Group has developed a Beauty Living system covering the five dimensions of "integration, storage, well-being, convenience, and quality," integrating customers' real needs into the R&D and design process and enhancing the beauty of life with craftsmanship spirit.

Quality – Enhance with Craftmanship

Standing in our customer's shoes, we guarantee a high-quality lifestyle from all aspects with expertise and kindness in multiple dimensions, including quality, environmental protection, technology, health, and brand as if it were our own house.

Convenience – Design with Meticulousness

We thoughtfully create every scenario and daily life detail, taking into account the actual needs and convenience of customers in every location. Furthermore, we apply various ingenious designs to meet the needs of a convenient life, allowing true humanization to permeate every aspect of life.

Storage – Clever Storage

To achieve the practicality of humane details, we add storage space that is both aesthetically pleasing and functional for every possible life scenario.

Well-being – Safety and Health

To safeguard the quality of life, we extensively use eco-friendly materials and address the problem of safety hazards in numerous detail.

Integration – A House of Refinement

We incorporate social needs into our designs to produce high-quality, socially convenient products that meet our customers' material and emotional needs.

Longfor Five-dimensional Beauty Living Model

Improving Customer Satisfaction

We attach great importance to customer satisfaction and have formulated internal systems such as Customer Satisfaction Management System and Longfor Group Customer Satisfaction Fund Management Implementation Measures. We view the customer satisfaction survey as essential for the Group to identify issues. We've opened several front-end online feedback channels, such as the U Xiangjia App, WeChat service account, hotline, and SMS, to collect customer evaluation data promptly so that we can initiate improvement measures immediately.

In 2022, the Company revised the satisfaction assessment standards further and added mechanisms such as complaint handling satisfaction assessment, customer value grading weighting, and commercial contact assessment to stimulate the subjective initiative of the team through performance assessment so that they can continuously improve service quality. This year, the Group's overall satisfaction reached 90.3%, an increase of 0.4%[10] from the previous year, and maintained a long-term upward trend.

Results of the Group's Satisfaction Survey

Satisfaction by Business Category

Residential	Commercial Office	Commercial property	Overall Satisfaction
90.5%	89.3%	96.7%	90.3%

Total work order collaboration for real estate customer service platform in 2022	Work order completion rate of Real estate customer service platform in 2022	Satisfaction of engineering repair contacts in 2022
1,127,266	96.6%	97.9%

Longfor elderly healthcare business refined feedback mechanism to improve senior satisfaction

Longfor elderly healthcare business actively implements the following measures to improve the feedback mechanism and increase elderly customer satisfaction continuously.

- Special Group Feedback Mechanism: A special group is set up for feedback on services, including daily care, photos of activities, and descriptions of medical and nursing conditions, to provide family members with information on the progress and quality of life care services and ensure transparency.
- Daily Feedback Mechanism: A rapid feedback mechanism is established for suggestions, complaints, and inquiries from the elderly, and each item must receive feedback on the same day; for unfinished matters, progress feedback must be provided.
- Daily/Special Ward Round Mechanism: Regular daily ward rounds and special rounds by the director are conducted to proactively seek the opinions of the elderly.
- Monthly Feedback Mechanism: Ask the elderly for their opinions and suggestions on the daily situation monthly and after every activity, and provide timely feedback on the closed-loop solution.

Longfor's elderly healthcare business implemented quarterly customer satisfaction surveys in the form of an online questionnaire titled "Xiaohu Questionnaire" in 2022. The survey covers various service quality evaluations, including recommendation level, accommodation experience, space feeling, food evaluation, and nursing service. This year, the quarterly customer satisfaction rate for Longfor elderly healthcare business exceeded 93% and increased quarter over quarter.

Intelligent Customer Service

Longfor Group's Intelligent Innovation Team has created an intelligent customer service platform to vigorously promote the application of AI in scenarios such as customer consultation and customer service consultation, empowering customer self-service, manual reception, and customer service operations to improve customer satisfaction and service quality. By the end of December 2022, AI has served 240 million people and replaced and assisted employees to complete 5.12 million pieces of work.

[10] The absolute value of the Group's overall satisfaction in 2021 was 92.3%, and the score was 89.9% after aadjustment according to the new satisfaction rules for 2022.

Functions of Intelligent Customer Service

Intelligent Self-service

Users can complete self-help operations such as replenishment of Longfor membership points and problem consultation with the robot, effectively enhancing user consultation convenience and customer satisfaction with a 73% intelligent self-help solution rate.

Intelligent Seat Service

The system can recommend SOP processes and knowledge to customer service agents in real-time based on user problems, implement automatic invitation of customer evaluation based on context, and thus enhance agent service process standardization level. The SOP process adoption rate is 87%, which is higher than the industry average.

Intelligent Customer Service Operation

The system can perform automatic warnings and intelligent quality control based on session content to improve customer service operation efficiency and service quality. The quality control/warning accuracy rate is greater than 95%.

Handling Customer Complaints

The Group has formulated several customer complaint management measures, including *Longfor Major Group Lawsuits and Major Complaints Management Measures, Longfor Property Management Complaint Management Procedures*, *Longfor Guidelines for Handling Commercial Real Estate Complaints*, *Real Estate Headquarters Customer Complaint Management System, Goyoo 400 Hotline Customer Service Notification Operation Standards*, and Longfor Goyoo Crisis Management Guideline, to address customer demands actively.

We have opened many complaint channels, including the U Xiangjia account, 400 service quality supervision hotline, the Group's official website, reporting email, and the Longfor U Xiangjia App, to improve customer complaints' convenience and ensure that customers receive timely responses. In addition, we conduct an in-depth analysis of the content of customer complaints to implement the reversal of complaint opinions so that we can resolve issues once and for all. Meanwhile, we require each business segment to optimize its management mechanism further, focusing on customer complaints and a problem-oriented approach to continuously enhance service quality and increase customer retention.

Longfor Goyoo collated and analyzed complaint cases and continuously optimized the complaint-handling process

In 2022, Longfor Goyoo collated various typical complaints that occurred throughout the year, analyzed the causes of the complaints in conjunction with the case contents, and optimized the handling process to enhance service quality.

- In November 2022, a customer complained about excessive formaldehyde. The store patiently explained to the customer the criteria and process of formaldehyde testing and presented the store's test report to prove there was no problem with excessive concentration.
- A tenant complained about the service attitude because the store did not provide daily feedback. The store manager paid a visit, apologized to the tenant, and addressed the customer's needs as required by the Company.
- A tenant complained to the store about the renovation's noise during noon nap time. The store staff quickly calmed the complaining tenant, fully comprehended his needs, actively coordinated the renovation time, and provided timely feedback on the solution to the complaining tenant.

Longfor Center property management team actively responded to complaints and enhanced service satisfaction

In 2022, the property management team of Longfor Center under the Group's Innovation and Industry-City Development Department actively responded to customer complaints and properly resolved them by taking into account the actual operation.

- Problem complained: Hard to get rid of the toilet odor

  After several trials, the property management team took measures such as changing the aroma brand and increasing the frequency of aroma replacement, which was well received by the tenants.

- Problem complained: Smoking in public areas still prevailed after banning

  The property management team quickly identified the smoking tenants by accurately retrieving the relevant CCTV information and took the initiative to communicate with them in person to promote the applicable anti-smoking requirements and improve the air quality in the building. At the same time, the team further strengthened the publicity work, especially when new tenants moved in, to solve the problem of smoking in the building from the source.

Intelligent Operation

Longfor Group focuses on reducing costs and increasing efficiency, and it continues to actively explore from the perspective of technological innovation to develop several intelligent operation products. With technical pillars such as Industrial Internet, IoT, AIoT, etc., we are fully empowering the efficient operation of enterprises. Longfor Digital Intelligent Engine empowered various businesses in 2022, with annual active users of data products reaching 23,000, IoT-connected devices increasing to 1.77 million, spatial coverage increasing to 90%, and the average online rate of devices soaring to 99%.

The average online rate of devices increased to

99%

Longfor Intelligent Building Management System 3.0

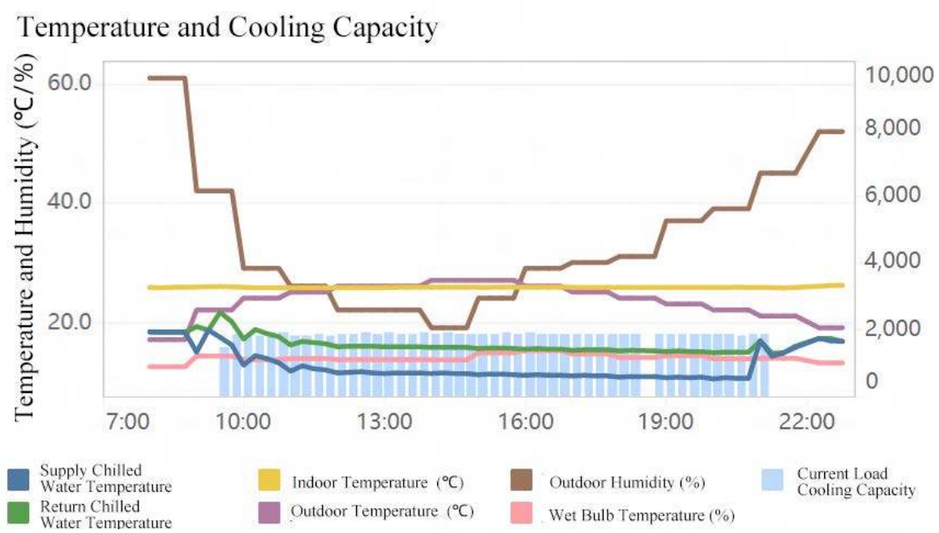
The Longfor Intelligent Building Management System (IBMS) is a smart building management platform that integrates traditional control technology, enterprise-level system integration technology, and the most recent Internet of Things (IoT) and cloud technologies. The system achieves optimal control of integrated building equipment automation, fire protection system, security system, and other modules through real-time feedback of equipment operation status parameters and predefined standardized operation strategies.

In 2022, Longfor Group enhanced the system's intelligence by developing it further and releasing new updates, culminating in IBMS 3.0.

New Functions of IBMS 3.0

- **New operation diagnostic board module to improve data visualization**

Six new operation diagnostic boards are added to provide project site engineers with operation strategy recommendations and historical operation diagnostic results to assist them in identifying operation problems promptly and thereby enhancing operation and management efficiency.



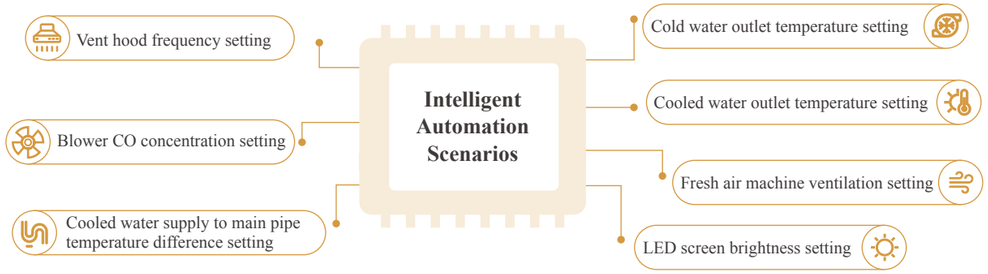
Real-time Operation Data Analysis Module

- **New operation analysis module to optimize operation strategy**

The system can analyze the cold station operation data to build a model of cold machine operation optimization strategy and effectively improve the operation mode.

- **New intelligent automation scenarios to improve energy efficiency**

As outlined below, seven new intelligent automation scenarios have been added to enable the IBMS platform to automatically configure relevant setting values for improved energy efficiency management.



“Cloud Delivery” Model

In 2022, Longfor Group continued to promote the application of the “Cloud Delivery” model, offering paperless cloud processing for all customers. Before handing over their homes, customers only need to complete the identity authentication process on the Longfor U Xiangjia App. After the customers arrive at the site, they can quickly complete the handover procedures after completing the code verification. This model eliminates the cumbersome document handover steps of the conventional method and reduces the delivery time to less than 10 minutes. In addition, the “Cloud Delivery” model has numerous functions, such as online house acceptance, online house inspection, and online decoration process, which significantly improves the handover experience and is widely recognized by customers. At the end of the Reporting Period, the Longfor Group delivered more than 110 thousands property sets in total, and the online delivery rate increased to 95%.

Online delivery rate increased to

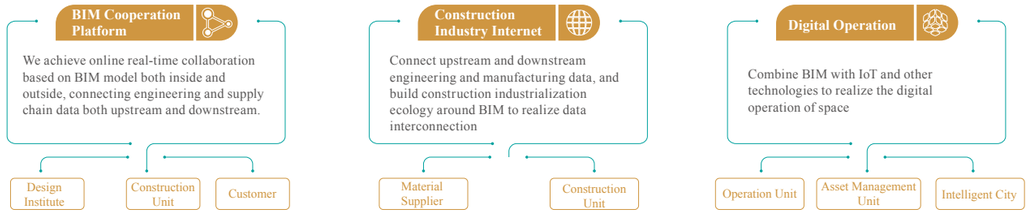
95%

Customers using Longfor “Cloud Delivery”

Smart Office Platform

Thanks to Longfor's continuous advanced deployment in the field of digital technology, we lean on digital technology to successfully achieve digital transformation and intelligent upgrading, and have realized an intelligent office system that combines software and hardware, which empowers comprehensive management efficiency for our Company.

The Smart Office Platform organically integrates multiple platform-based modules to eliminate various structural barriers and increase the overall flexibility of work collaboration. For instance, it enables sharing articles, links, files, and local images and videos from external media platform such as WeChat and Sina, realizing the concept of a “borderless office”. In addition, it incorporates a BIM collaboration platform, IoT, digital operation, and other functions to empower each unit in the industry chain.



Cooperation Chain Forge close collaboration and linkage among industry upstream and downstream enterprises based on digital platform, and break through organizational boundaries to realize real-time collaboration

Data Chain Transform data into the core asset and achieve data sharing and efficient integration of the whole industry chain based on the data model linkage to form an industrial data flywheel

Smart Office Platform

Reassuring Guarantee

Longfor Group views customer satisfaction as its primary competitive advantage. We strictly regulate information security management, engage in responsible marketing, implement various measures to protect the health of our customers, and provide comprehensive service protection for our customers.

Customer Privacy Protection

Highly valuing customer privacy security and data protection, Longfor Group abides by the *Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China*, the *Personal Information Security Specification* (GB/T35273-2020), and other pertinent laws, regulations, and standards. We have formulated the *Group Data Security Management System*, the *Group Staff Information Security Code of Conduct*, the *Group Sensitive Document Leakage Prevention Guidelines*, the *Group USB Flash Disk Copy Prohibition Operation Guidelines*, the *Headquarter Customer Data Management Measures, the Data Security Management System*, the *Security Audit Management Measures*, and other systems, which are being implemented to enhance internal information security management continuously. Longfor Group prioritizes multiple system and product level measures to protect customer privacy information. We ensure information security by requiring customers to sign privacy protection clauses. In addition, we require privacy-related complaints to be processed and responded to within 15 days, ensuring all applicable business rules are modified in response to these raised issues. In 2022, the Group did not experience any incidents of customer data leakage.

Relevant Measures Regarding Customer Data Security Protection

System	• We require the storage and flow of customer data to meet the Group's security requirements, ensuring that sensitive customer data is safe and secure. • We impose appropriate penalties for failure to meet customer data management requirements.
Product	• For customer data security control, we require the functional pages to display data with minimum data permissions and desensitize sensitive information for display.

In 2022, the Longfor Group's relevant business units strengthened the protection of customer privacy by taking the following steps:

Safety and Innovation Management Department

- We actively organized publicity and promotion events to enhance the information security awareness, hosting 5 training sessions with around 310 participants.
- We organized exams for all staff to ensure full coverage.
- We have built the digital anti-leak system to manage the external transmission of sensitive documents in office terminals, intranet, and important applications, which effectively prevents the leak of sensitive information.

Real Estate Marketing Department

- We conduct promotion and learning of the awareness of protecting customer's sensitive information during weekly and morning meetings to realize the educational purposes and enhance compliance awareness by learning relevant documents and cases.
- We apply QR code registration for customer visit with their information displayed in redacted version to lower the risk of leaking.
- We strictly manage the whole process of digital products covering planning, design, R&D, testing and check before acceptance to fit the personal information security management rules into the input and output standards of each phase and protect personal sensitive information in collection, transmission, access management, desensitized display, and other scenarios.

Operation Department

- We connect the database real-time query platform with the metadata platform to achieve the desensitized query;
- We add watermark to previewed documents and keep a detailed operation log for export function.

Medical Care Department

- We incorporate the digitalized customer information into the systemized security management;
- We apply position responsibility to paper records and keep an archival storage to prevent leakage;
- We ensure the exchange close loop of the elderly health conditions via notification letters to avoid risks due to information asymmetries;
- We add information protection mechanism to the elderly care operation platform with a strict access scope to ensure the security of customer privacy.

Responsible Marketing

Longfor Group views responsible marketing as an operational priority. Following the *Responsible Marketing Policy of Longfor Group*[11], we have articulated a sound responsible marketing system. We require all marketing team members to sign the *Marketing Red Line Behavior Commitment* to regulate marketing behavior. We have adopted a combination of regular and special supervision. We conduct marketing risk self-inspection and inspection with authorization at the headquarters, region, and city levels. We inspect marketing risks regularly, covering the audit of promotional materials, verbal commitment risks, delivery standards, and quality risks, formulate appropriate responses, and monitor the resolution of problems. During the Reporting Period, the marketing team has carried out special audits of responsible marketing and self-correction of marketing irregularities, conducting 15 special inspections and identifying 68 different types of problems, with a 100 percent problem correction rate.

Conducted special inspection

15 times

The overall category of identified problems

68

The correction rate of problems reached

100%

To ensure that the regional companies standardize the implementation of the Group's responsible marketing requirements, we have established a mystery client inspection mechanism to examine the quality and risk control of marketing through both open and secret visits. The mystery clients will score the performance of the property consultants during the inspection, such as the quality of their eloquence and promises. They will administer rewards and punishments based on the final assessment. In 2022, we improved the inspection mechanism further. We completed quarterly coverage of all significant sales projects and continued to enhance quarterly mystery customer inspection scores. To improve project experience and customer service awareness in all aspects, we concentrated on inspecting customer experience, improper promises, and customer data leakage.

[11] https://www.longfor.com/upload/file/2023-04-24/aa3ae95e-2826-4553-bd14-39261a71bf42.pdf

The Group carried out training on marketing risk control systems to enhance the awareness of responsible marketing

In August 2022, the Group trained more than 2,000 property consultants and channel staff on the marketing risk control system, focusing on sharing cases of risks related to sales commitments, strengthening employees' awareness of marketing risks, and improving the marketing team's overall awareness of responsible marketing.

In 2022, the Group conducted many special training sessions for all sales management and regional risk control staff to promote business risk control cases and implementation standards, covering one thousand participants, effectively raising the awareness of risk control among front-line executive and supervisory staff and preventing them from ignorance.

Sales Promise - Rental Income

- Customer: Will the rent increase?
- Property Consultant: It will increase every year, basically. You can rent for around RMB 2000 in our area.
- Customer: Can I rent for RMB 2000 in this area?
- Property Consultant: Yep.

Risk Point

Promising an annual increase in rental income is inappropriate.

Sales Promise - Opening Time of Paradise Walk

- Property Consultant: This commercial property is under construction and is expected to officially open by the end of next year.
- Customer: By the end of next year?
- Sales consultant: Yep.

Risk Point

The Paradise Walk project is expected to be completed by the end of 2023, and the opening time is still to be determined.

Training Materials for Responsible Marketing

Longfor Group firmly believes that marketing information transparency is an essential principle of responsible marketing. We emphasize information transparency at all stages of real estate sales. We have developed internal systems such as the *Longfor Group Customer End Publicity Management System* to regulate how the Group disseminates information and protect the customers' right to know.

Protecting Customer's Right to Know in Various Stages

Site Publication Stage

- The following information is prominently displayed on-site.
  - Property notary ("Five Licenses")
  - The price of the property as recorded at the housing authority
  - Delivery standards of properties on sale
  - Information on all unfavorable factors of the project, properties for sale, and promotional discounts
  - Policies and interest rates of cooperative banks
  - Technologies and know-how

Sales Stage

- When customers visit, we will actively direct them to the publication display area, where they will receive a comprehensive introduction to the project's planning, surrounding facilities, etc., so that they can comprehend the publicized content.

Execution Stage

- We are open about the terms of our contracts and ensure that the contracting parties have a thorough understanding of the contract's disadvantages and conditions and the ability to interpret the contract terms with professionalism and accuracy.

Protecting Customer's Health and Safety

Longfor Group places a premium on the health and safety of its customers. We honor our commitments regarding customers' health and safety and integrate them into every aspect of the Group's business practices.

- Customers are encouraged to use our products and services responsibly and safely.
- We concentrate on fire and kitchen hazard prevention in commercial properties and establish a management flowchart for relevant equipment and facilities.
- Regular fire safety emergency drills are conducted in commercial properties, office buildings, and apartment complexes to increase emergency preparedness and ensure the safety of tenants and customers.
- We host health and safety campaigns for our clients and distribute health and safety promotional materials in public areas to continuously raise safety awareness and protect physical and mental health.
- To ensure the safety and reliability of work, study, living spaces, and corresponding facilities, we conduct routine safety inspections of public facilities in the community, repairing and removing unsafe elements as necessary.

Longfor Ever Spring took various measures to protect the health and safety of the elderly

Longfor Ever Spring refined and implemented various care services in multiple locations in 2022 to effectively reduce the residential safety risks of the elderly.

- Prevent the Elderly from Falling

In specific projects, push-pull fall prevention measures are added to the outer corridors to prevent the physically or mentally disabled elderly from scaling the railings.

- Prevent the Elderly from Bed Falls

We avoid bed falls by increasing the use of nursing beds and installing off-bed alarm mattresses.

- Prevent the Elderly from Slipping

We have increased the number of mobility aids to ensure safe walking for the elderly.

Shower rooms are outfitted with non-slip mats and convenience chairs to prevent elders from slipping while bathing.

Fall Prevention Bars

New Nursing Bed

An Elder Using the Mobility Aid

Non-slip Mat and Convenience Chair

03 Devoting to Charity

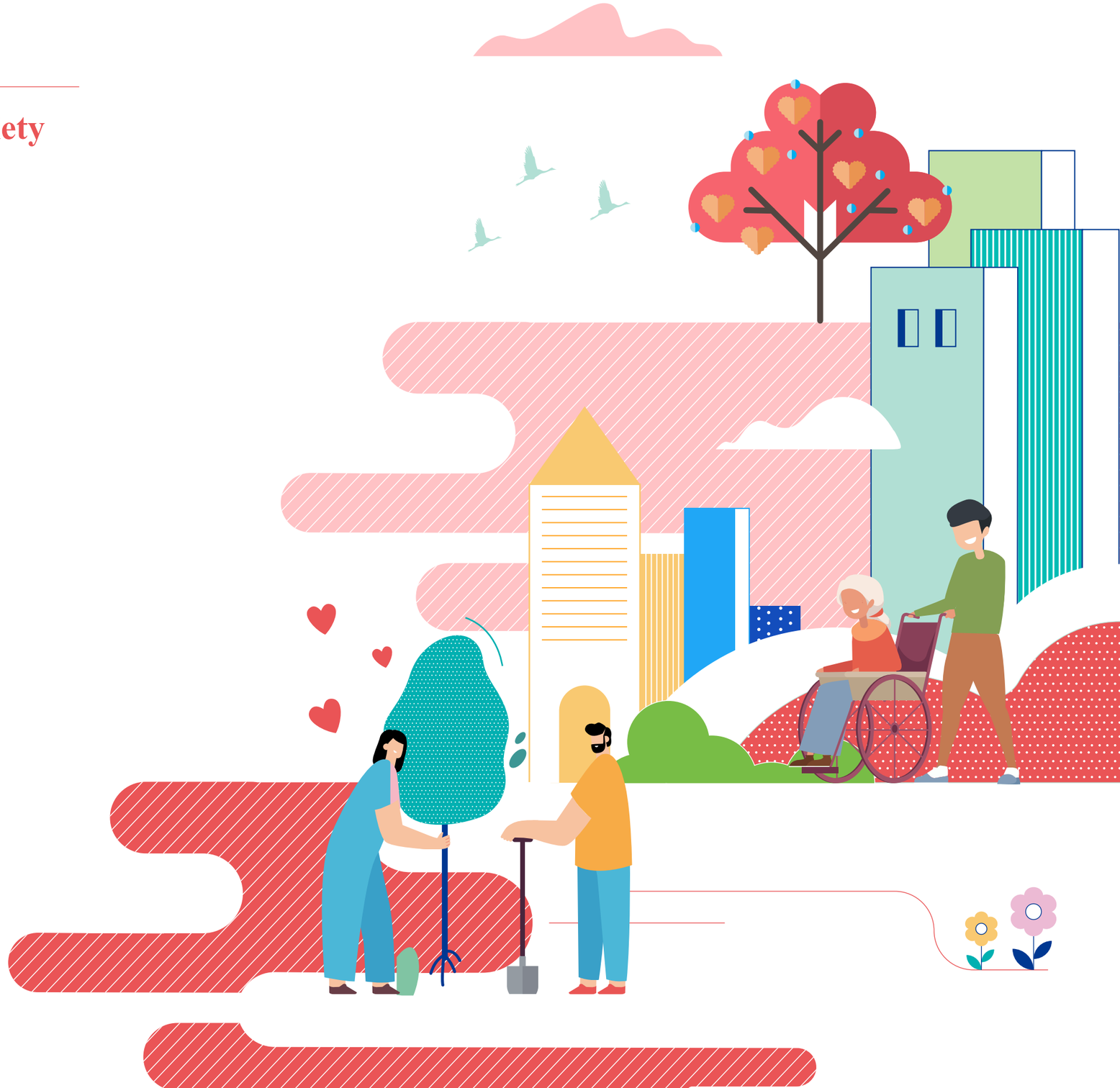
to Build with the Society

Longfor Group is actively involved in public welfare and established Longfor Foundation in 2020. We have carried out charitable activities with Longfor's characteristics integrated with our business, covering rural revitalization, care for the elderly and children, education, fighting pandemics and disasters, and community charity. We thereby interpret corporate responsibility and commitment with practical actions and build a vision of the best with society.

ESG Material Topic(s) Responded in this chapter:

- Community Communication and Integration
- Public Welfare and Charity

SDGs Goal(s) Responded in this chapter



Rural Revitalization

In respond to national policies, Longfor Group continues to facilitate rural revitalization, leveraging Longfor's resources to improve rural education, economic development, and people's happiness and stability.

Huguang Project[12]

Longfor Group's "Huguang Project" focuses on rural education. Based on the closed-loop support of "Education Manager + Teacher + Student", integrating enterprises, famous schools and high-quality public welfare resources, through the approaches of management empowerment training, famous school job shadowing, experts dispatch, school development resources support, we help to improve the overall education in the counties.

The "Huguang Project" has assisted 32 school principals and leadership teams in Sichuan, Chongqing, Guizhou, and other critical rural revitalization counties in enhancing their leadership, 216 rural teachers in developing their professional capacity, and 3,422 rural students in improving their literacy.

[12] https://www.longforfoundation.com/hgjh/index.htm

"Huguang Project" Activities Timeline

March 2022

The "Huguang Project" team went to Wuxi to conduct a return visit to the Management Empowerment Workshop, interviewing 40 principals and management teams of rural schools in 13 schools, with " students' mental health, teachers' motivation and internal drive, and building effective classrooms" three issues discussed and creatively addressed. At the same time, the volunteers paid home visits to 30 local rural students who had been selected for the re-election stage of the China Talent Program to communicate deeply with the students and promote the program's implementation.

Management Empowerment Revisit

April 2022

We hosted the China Talent Program Selection Summer Camp in Chongqing. Through a rich curriculum of subject knowledge enhancement, humanities study tours, science expositions, and comprehensive practices, the program aims to broaden students' horizons, make them feel the joy of learning, and solidify their ambitious dreams. Finally, ten Wuxi County students were allowed to study at Tsinghua University High School for five consecutive winter and summer terms.

China Talent Program Summer Camp

April to May 2022

The first "Huguang Project" rural education support program - job shadowing training – was launched. Over more than a month, the Longfor Foundation invited education experts and front-line principals to share topics such as research, teacher development, and school reform with principals and management teams from 30 schools in Wuxi County, effectively improving the level of management teams in the county.

Online Training

July 2022

Longfor Foundation and Woniu Woxing jointly organized the "Huguang Read with You" campaign for urban and rural children. We invited 57 volunteer families to form "1+1" teams online with students from Lizi Town Love Primary School supported by the "Huguang Project." They made new friends via books and jointly completed the 21-day reading check to help children develop good reading habits. By the end of the campaign, 90 students from 37 reading teams had completed the check goal.

Rural Children Participated in the Reading Campaign

August 2022

Longfor Foundation and Youcheng Entrepreneurs Poverty Alleviation Foundation launched the "Huguang-Shanqiao Project" to integrate high-quality resources from enterprises, education, and charity to promote the county education talent cultivation and improve the level of education in the county. The project is expected to cover 21 primary and secondary schools in Wuxi County, directly train or serve 35 principals, benefit 600-1,000 teachers and help 8,000-10,000 students.

"Huguang-Shanqiao Project" Signing Ceremony

October 2022

The Longfor Foundation invited several experts from the 21st Century Education Research Institute's Center for Rural Education to Wuxi. The experts assessed school development needs from school philosophy, subject construction to new curriculum reform, held four targeted seminars and collaborated with project school principals to develop solutions for introducing school resources and matching quality external resources.

Experts Visiting Rural School

Stream Project[13]

Longfor has been implementing the "Stream Project" since 2011 to support disabled people in need in rural areas to improve their economic and living conditions. Longfor's industrial support model of "Entrepreneur Base Support + Industrial Talent Training + Farmer Support Platform" has helped 4,121 families with disabilities increase their income by more than RMB15,000 per household by 2022, consolidating the results of poverty alleviation.

Longfor "Stream Project" supporting disabled people's entrepreneurship in Fuling District, Chongqing

Longfor's "Stream Project" was officially launched in Fuling District, Chongqing in 2021. Longfor foundation donated RMB4 million to assist 11 disabled people from local rural families in starting their farming businesses, and promote 380 rural families with disabilities to create wealth and increase income. Longfor has actively collaborated with local enterprises since the program's inception and invited them to provide farmers with free planting technology, improving the "self-sufficiency" ability of the helped. We also improve the "teaching people how to fish" chain so that the helped can help more people.

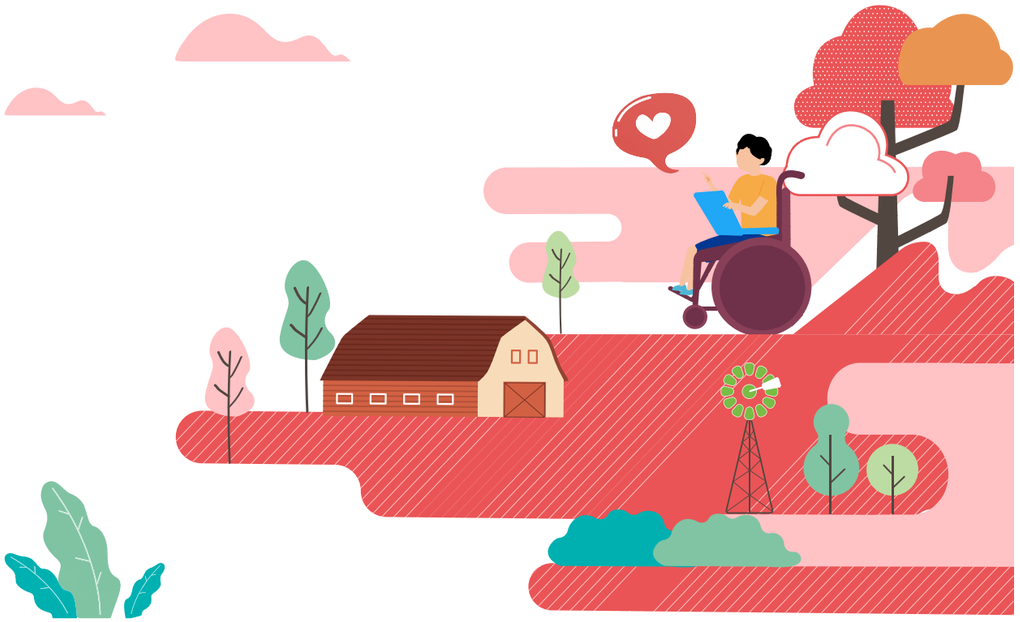
By the end of 2022, Longfor Group has donated RMB40 million to precisely help rural disabled people families to carry out renovation of dangerous houses and farming.

Families with disabilities in need helped by Longfor

4,121

Longfor has donated more than

RMB40 million



[13] https://www.longforfoundation.com/xljh/index.htm

Care for the Elderly and Children

Longfor Group actively responds to the government's call to carry out aging-friendly renovation projects to effectively improve the living environment of the elderly, enrich their spiritual and cultural lives, and contribute to the development of an aging-friendly community.

Evergreen Program[14]

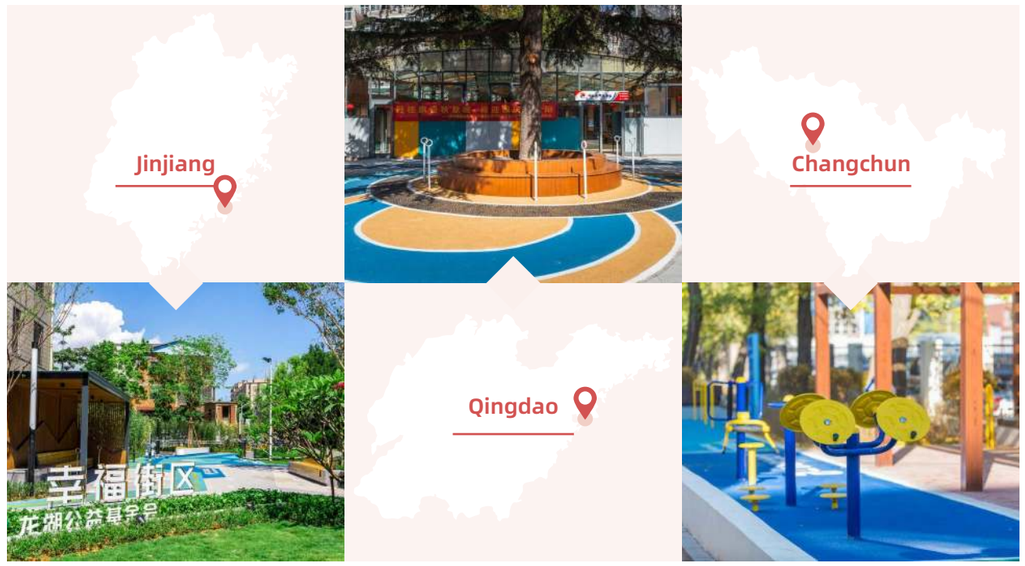
Focused on three major problems in old urban communities, namely, "old community environment and lack of functions," "low aging-friendly home environment," and "low aging-friendly cultural environment," we have implemented four major initiatives to effectively improve the safety, convenience, and happiness of the elderly living in urban communities: public space renovation, aging-friendly home environment renovation, community elderly service center renovation, and community care and volunteer service. By the end of 2022, the "Evergreen Program" has been implemented in nearly 60 old communities in 13 cities, including Chongqing, Shenyang, and Suzhou, with over 75,000 elderly recipients, forging a series of standardized, replicable, and easy-to-promote public space and aging-friendly home environment renovation products.

Old communities covered by the "Evergreen Program"

60

Elderly recipients involved

over 75,000



"Evergreen Program" in Multiple Communities

[14] https://www.longforfoundation.com/wnqjh/index.htm

Main Content of "Evergreen Program"

Community Public Space Renovation

Longfor Foundation conducted extensive field research to identify the community public space into three functional scenes: "meditation and recuperation, oxygen-enriched fitness, and leisure and social interaction." We configured the product modules based on the area, topography, and needs of the elderly while emphasizing 34 humanized aging-friendly details to create a safe, comfortable, and livable community public environment.

Community Public Space Renovation Layout

Community Elderly Service Center Renovation

Longfor Foundation combines the needs of various communities. We work with local street offices and communities to build elderly service centers, which include functions such as canteens, daycare rooms, indoor floor anti-slip, restroom aging-friendly facilities, rehabilitation rooms, and activity rooms so that more elderly people can benefit from rich and convenient community elderly care services.

Elderly Service Center Renovation Layout

Aging-friendly Home Environment Renovation

Longfor Foundation researched and developed the home environment aging-friendly renovation list and then adjusted and improved the product list based on pilot results in Chongqing and Shenyang. We eventually formed 28 home environment aging-friendly product packages in four categories, including barrier-free, fall prevention, convenience, and safety, effectively improving the comfort of the elderly living at home.

Home Environment Aging-friendly Renovation Products

Community Care and Volunteer Service

Longfor Foundation screens and introduces high-quality community service resources for elderly assistance, such as fire and gas insurance, life maintenance, professional social workers, and other services. Longfor Foundation also assists communities in establishing volunteer service teams to provide health science popularization, club activities, emotional companionship, voluntary medical screening, and other charitable services for the elderly in the community. We thereby contribute to community governance and create a good atmosphere.

Community Care and Volunteer Service

Muping District, Yantai 's Aging-Friendly Renovation Project Helped 243 Families with Disabilities Improve their Living Environment

Longfor Aging-friendly Renovation Project was officially launched in Muping District, Yantai, on November 17, 2021. Following preliminary visits and research, Longfor staff and volunteers from Yanwei Company screened and identified 243 disabled families to support in collaboration with the Muping District Disabled Persons Federation. Longfor Foundation successfully provided a variety of barrier-free facilities such as electric multi-functional nursing beds, dual-use chairs for toilets and baths, elevatable dining tables, positioning bracelets, and other "gift packages" to all the elderly with disabilities in Muping District in mid-January 2022, with a total investment of RMB1.2 million, which significantly improved the convenience of the elderly with disabilities at home.

Aging-friendly Renovation for the Disabled Elderly

Aging-friendly Renovation for 20 Communities in Chongqing Delivered

Longfor Foundation announced a donation of RMB200 million to China Society for Promotion of the Guangcai Program over five years in December 2021 to support the renovation of Chongqing's old urban communities and rural revitalization, of which RMB160 million will be used to support the renovation of community public space and the aging-friendly renovation of the home environment in all districts and counties of Chongqing. Longfor has completed field research of nearly 100 old communities in Chongqing's Hechuan District, Yuzhong District, Jiangbei District, Yubei District, Dadukou District, Banan District, Shapingba District, Jiulongpo District, and Liangjiang New District by the end of 2022, and the first batch of 20 renovated communities has been completed.

Longfor Foundation funded RMB1 million in early May 2022 to complete the aging-friendly renovation of the Mingren Lidu Community's public space, the first completed project in the first batch of renovated communities. In the open area under the white figs, a soft rubber track, fitness facilities, chess tables and chairs, convenient handrails, and other facilities were installed, which effectively improved the safety and convenience of elderly living facilities and enriched the spiritual and cultural lives of the elderly.

Lidu Mingren Community Renovated

The Aging-Friendly Park of Jinjiang Chendai Town's Sijing Community was Officially Put into Use

Chendai Town's Sijing Community Aging Park, funded by Longfor Foundation, was officially opened in September 2022. The park is located in the center of Chendai Town. It has an area of about 500 square meters, plus a surrounding fitness area of nearly 800 square meters, with a core activity area, sports and fitness area, and leisure communication area, all of which are equipped with fitness equipment, chess and card tables, and other leisure activities facilities suitable for all ages, including the elderly. In addition, Longfor has tailored the configuration of aging-friendly park facilities to fully protect the safety of elderly people's activities and promote the improvement of neighborhood feelings and civilization in the township by studying the gathering place and social habits of local elderly people.

Sijing Community Aging-friendly Park

Xinya Project[15]

Longfor Group is always concerned about the health of rural children. Therefore, in 2022, Longfor Group continued to focus on children with difficulties under the "Xinya Project" and provide systematic solutions to effectively solve the five core problems of medical treatment for children with major illnesses so that they can be "detected and treated early, without leaving the province."

As of December 2022, the "Xinya Project" has been launched in over 20 cities, including Chongqing, Henan, Yunnan, Qinghai, Shenzhen, Zhejiang, and Shanghai, providing voluntary screening services for over 11,200 children, training nearly 300 grassroots medical personnel, rescuing 436 children with serious illnesses, and organizing volunteers to conduct over 20 return visits to children with serious diseases.

Number of children enjoying voluntary screening services

over 11,200

Number of children with serious illnesses who are saved

436

Charitable Major Disease Diagnosis and Screening Love Tour for Yunnan Children

The "Longfor Xinya Project Charitable Major Disease Diagnosis and Screening Love Tour for Yunnan Children" was held in Yunlong County from June 14 to 15, 2022. During the event, medical experts from Yan'an Hospital of Kunming City performed congenital heart disease screening for students from various towns in Yunlong County using heart auscultation and ultrasound screening. A total of 282 students were screened in this activity, with 7 being diagnosed with congenital heart disease, 17 being recommended for regular re-examination, and 4 for post-operative re-examination. Students with subsequent diagnoses can submit applications for assistance and be eligible for a medical grant from the Longfor Foundation for surgery.

During the event, cardiac surgery experts from Yan'an Hospital of Kunming City trained more than 50 doctors from Yunlong County People's Hospital, County Hospital of Traditional Chinese Medicine, and County Maternal and Child Healthcare Hospital to precisely match the needs of grassroots medical and health institutions in Yunlong County and improve the medical level of pediatrics at the grassroots level.

During the Reporting Period, Longfor Foundation collaborated with the Ai You Foundation to hold charitable diagnosis and screening activities for children with major diseases in Chongqing, Henan, and Sichuan to bring quality medical services to the grassroots level and provide follow-up medical aid support to the affected children.

Charitable Major Disease Diagnosis and Screening Love Tour for Yunnan Children

Contributing to the Training of Grassroot Pediatricians

Longfor's "Xinya Project" finished two training programs for grassroot pediatricians in 2022, training nearly 100 people and providing 3-6 months of mentorship training for 5 doctors.The program's goals were to provide systematic and multi-level training support for grassroot pediatricians, improve the quality of grassroot pediatric medical care and service capacity, and contribute to developing and advancing children's health.

Grassroot Pediatricians Receiving Training

[15] https://www.longforfoundation.com/xyjh/index.htm

June 1st Children's Wish Adoption Activity "Light up a Wish with Kindness"

Longfor Foundation launched the June 1st Wish Adoption Activity with the theme "Light up a Wish with Kindness" on May 11, 2022. Longfor mobilized 14 partner hospitals and over 200 volunteers from 30 cities across China to participate in the wish collection, collecting wishes from 235 children. Local charity executives and volunteers visited local partner hospitals offline in eight cities, including Chongqing, Chengdu, Nanjing, Wuhan, Hangzhou, Jinan, Guangzhou, and Changsha, bringing gifts to send blessings to children with serious illnesses, helping to realize their June 1st wishes and light up their hopes.

Wish Adoption Activity

Volunteer Visit Activity

On September 27, 2022, seven Longfor volunteers visited Beijing Huaxin Hospital to see five children with congenital heart defects who were discovered and helped by the "Xinya Project" during the Inner Mongolia Charitable Diagnosis and Screening Love Tour, who successfully completed the surgery in Beijing with the foundation's assistance. Longfor volunteers planned a special birthday party for the children, accompanied them to finish their handicraft paintings, and sent them good wishes, wishing them to grow up healthily and happily in the future.

Birthday Party

On November 21, 2022, Longfor Foundation and Ai You Foundation upgraded the "Xinya Project" strategic cooperation. We jointly refreshed the "Xinya Project" strategic blueprint for relieving children with serious illnesses from difficult families. The project will be strategically upgraded in four dimensions in the future:

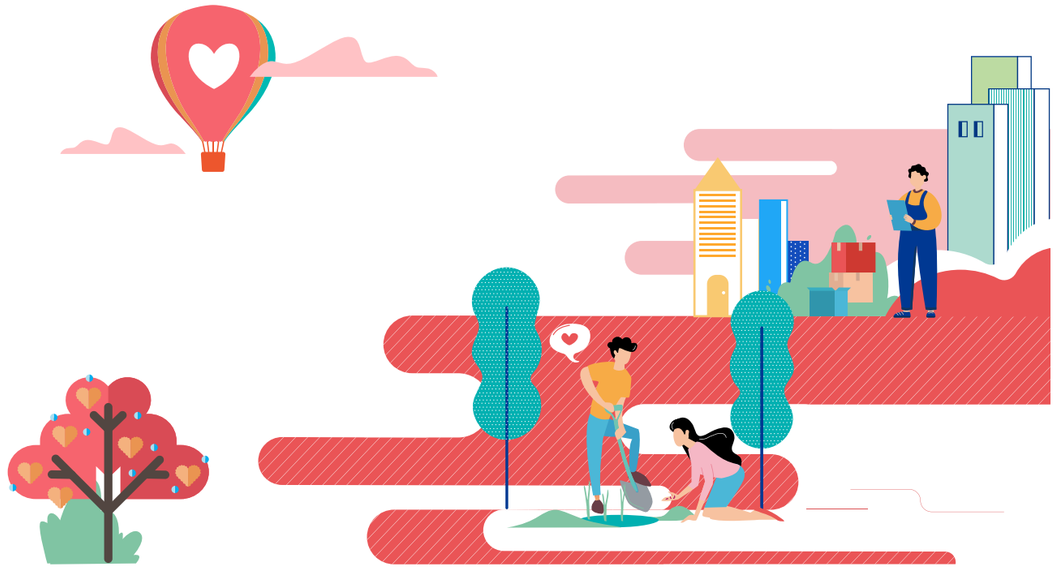
- Join hand in hand with reputable medical and charity organizations to solve children's medical issues systematically.
- Upgrade partner hospitals into Longfor volunteer service bases to carry out childcare activities regularly and strengthen the deep involvement of Longfor volunteers.
- Organize rich and diversified charitable activities to strengthen public advocacy.
- Promote social concern and public knowledge in the field of children's health to continuously enhance the impact of the project.

Four-dimensional Strategic Upgrade

Promote the "Xinya Project" Via Diversified Charitable Activities

Longfor Foundation collaborated with several regions in April 2022 to support the "Xinya Project" through bazaar sales and artwork collection, attracting over 5,000 people to charity sales and raising over RMB260,000.

- Shanghai Jinhui Paradise Walk launched the "LOL - 100 Charity Smiley Paintings Collection" campaign in early April, and the works were displayed and sold offline at the project's launch.
- Chongqing Xicheng Paradise Walk and Hangzhou Xixi Paradise Walk did charity work with children through a children's flea market.
- Yanwei Cherry Blossom Festival participated in the charity program by holding a handmade charity sale featuring cherry blossom products, with the option to buy rather than donate.



Facilitating Education

For a long time, Longfor Group has maintained a high level of attention to the field of helping students and raising education, and has worked with partners to conduct a series of support programs.

Flying Project[16]

Longfor Group values the vocational development of rural youths and operates the "Flying Project" vocational education program. Longfor Foundation collaborated with seven vocational schools, including Chongqing Mechanical Senior Technical School, Chongqing Wuyi Senior Technical School, and Chongqing Medical and Health School, to establish the "Longfor Flying Class" (hereinafter referred to as the "Flying Class") in 2021 to help more than 2,000 students master a skill and find their career path by setting up scholarships, providing mental health services, and offering financial assistance.

Number of students who are helped to master a skill and find their career path

over 2,000

Mental Health Courses

Longfor Foundation collaborated with Rici Foundation in the fall semester of 2021 to introduce mental health courses to three vocational schools in Chongqing (Chongqing Mechanical Senior Technical School, Chongqing Medical and Health School, and Chongqing Banan District Vocational Education Center), providing mental literacy support and mental empowerment for over 1,000 vocational school students cumulatively in the form of thematic workshops, group practice, online checks, and mental literacy summer camps.

Mental Empowerment in Multiple Forms

Vocational Sharing Courses

Longfor Foundation launched the "Flying Life" career sharing courses to recruit and select Longfor volunteers from various professions to share their career experiences with vocational school students, to assist students in the Flying Class in making good career plans, improving their job-seeking skills and professionalism, and growing more confidently and diligently.

Diversified Activities

Students in the vocational school's "Flying Class" participate in team building, thematic class meetings, book sharing, and other activities to improve class cohesion and enjoy campus life.

Longfor Foundation provides long-term, ongoing support for post-employment vocational students by organizing urban experience days for worker families, establishing college entrance exam scholarships for workers' children, and hosting the Urban Builders Forum.

Student Team Building

[16] https://www.longforfoundation.com/zcjh/index.htm

Supporting Universities[17]

Longfor Foundation continued to exchange and collaborate with universities in 2022 to promote the development of teachers and students, the introduction and cultivation of talents, and the reform and development of education, as well as to contribute Longfor's part to the construction of a strong education country. As of the Reporting Period, Longfor Foundation has set up "Longfor Scholarship," "Longfor Fellowship," and other innovation and activity funds in collaboration with Tsinghua University, Shanghai Jiaotong University, Zhejiang University, Tongji University, Harbin Institute of Technology, South China University of Technology, Beijing University of Posts and Telecommunications, University of Electronic Science and Technology, Wuhan University, Huazhong University of Science and Technology, University of Science and Technology of China and other major universities to assist college students in realizing their worth.

Collaborate with

11 universities

Donation Ceremony at South China University of Technology

Donation Ceremony at Huazhong University of Science and Technology

Donation Ceremony at Wuhan University

Donation Ceremony at Tongji University

Shanghai Jiao Tong University, Beijing University of Posts and Telecommunications, South China University of Technology, University of Electronic Science and Technology, Huazhong University of Science and Technology, and other universities successfully completed the "Longfor Scholarship" and "Longfor Fellowship" selection activities in 2022, directly benefiting hundreds of students and teachers. Longfor established the "Friend of Tsinghua - Longfor Scholarship" in May 2022 and awarded scholarships to 26 students with RMB5,000 each.

As of the end of the Reporting Period, Longfor has sponsored several large-scale cultural and sports, social practice, scientific research and innovation, and other diversified development projects, as well as related student activities for teachers and students at Shanghai Jiaotong University, Tongji University, University of Electronic Science and Technology, South China University of Technology, and other colleges and universities.

Cultural-Sport Activities Sponsored by Longfor

[17] https://www.longforfoundation.com/gxzc/index.htm

Longfor Foundation Sponsored Tsinghua University Innovation Activities

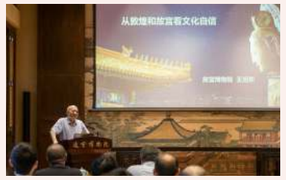
Longfor Foundation supports student innovation activities and intends to give Tsinghua University x-lab[18] a total of RMB4 million for 5 consecutive years starting from 2021,focusing on supporting the operation of the Innovation Challenge[19] and x-lab-related activities. On April 16, 2022, under the auspices of Longfor Foundation, the 9th Tsinghua University "President's Cup" Innovation Challenge started with a record number and quality of projects on the Tsinghua campus.

The 9th Tsinghua University "President's Cup" Innovation Challenge

Longfor Group Helped the National Palace Museum Hold the 10th "Workshop for University Teachers of Forbidden City Studies"

The National Palace Museum launched the tenth workshop for teachers of Forbidden City Studies in colleges and universities on July 21, 2022, with funding from the "Longfor - Palace Cultural Foundation," training 40 university teachers from 34 units, including Tsinghua University. The training aimed to train teachers to advance Forbidden City studies in higher education institutions, provide a forum for scholars and university teachers to interact, and jointly promote the advancement of academic research in relevant fields. Since 2012, the Palace Museum has held nine sessions since the first workshop for college teachers of Forbidden City studies, with 223 teachers from 121 colleges and universities across the country participating.

In the two-week training, experts used a variety of on-site teaching methods, including the observation of cultural relics in the courtyard, visits to the Palace Museum's history exhibition, historical and cultural sites visits, and ancient building site visits, in addition to online teaching methods, to help participants systematically improve their awareness of the Palace's ancient architecture conservation, heritage research, scientific conservation, and other academic knowledge, and promote traditional Chinese culture.



Forbidden City Studies Lectures

[18] Tsinghua University Creative Innovation and Entrepreneurship Education Platform

[19] The "President's Cup" Innovation Challenge, initiated and hosted by Tsinghua x-lab, is the only annual competition for students, alumni and faculty of Tsinghua University to select innovative and entrepreneurial projects.

Fighting Pandemics and Disasters[20]

The year 2022 is a year full of pandemics and natural disasters across the country, but also a year in which citizens came together to fight disease and overcome obstacles. Since January 2022, Longfor Group has been closely monitoring the pandemic and disaster situation with the goal of "For You Forever." We have actively collected funds and supplies to ease numerous cities' suffering.

By the end of the Reporting Period, Longfor has invested more than RMB35 million in 42 cities, including Shanghai, Changchun, Hong Kong, and Suzhou, to support the front-line work of community pandemic prevention, to provide protection for medical and nursing staff and the public, and to fulfill its corporate citizen responsibility, and to uphold everyone's health in conjunction with the government and the community.

Longfor has invested

more than RMB35 million

Provide material and financial support to

42 cities

Since April 11, 2022, Longfor has given nearly 30,000 supply packages to some communities, low-income families, and senior citizens in Shanghai to aid in the fight against the pandemic and help the city's residents navigate the challenges.

Charitable Supply Packages

Longfor Foundation provided Ningbo, Hefei, and Yanwei with N95 medical protective masks, protective clothing, energy food, and other pandemic prevention materials in late April 2022 to support the front-line community pandemic prevention work and to protect patients and medical personnel.

Pandemic Prevention Materials

Longfor Foundation conducted public service live classes focusing on mental health in times of pandemic

With the theme "When the Pandemic is Over, the Mind is Safe," Longfor Foundation and Rici Foundation held a charity live class in April 2022 over two days. We also published a brochure called *When the Pandemic is Over - A Practical Guide to Psychological Self-Help for Children and Families*, which offers helpful and amusing ways for people to look after their own and their children's mental health. It provides exciting and valuable adult and child psychological care and adjustment techniques. The number of participants in this year's live class exceeded 3,000, and the number of views of the brochure exceeded 10,000, effectively relieving the psychological anxiety of isolated people and helping more people to build a psychological defense against the pandemic.

Mental Health Live Class and Self-Help Guide

The number of participants in this year's live class exceeded

3,000

Longfor supported earthquake-stricken area in Sichuan

Longfor donated RMB1 million to the disaster area in September 2022 through the Longfor Foundation in the first instance after the Sichuan earthquake. We urgently aided in the material procurement and post-disaster reconstruction work in the disaster areas of Luding and Asbestos in Sichuan. We also assisted in restoring lovely homes with the Sichuan people through thick and thin.

Money donated by Longfor to the disaster area in Sichuan

RMB 1 million

[20] https://www.longforfoundation.com/kyjz/index.htm

Community Charity

Longfor Group has investigated the One Elder and One Child friendly community project to assist in constructing a quality community in the new era by leveraging its advantages. The Group also actively participates in various charity activities, conveying the Group's philosophy of "Take Actions to Make Public Service Simpler" through good deeds.

"One Elder One Child" Friendly Community Project

Longfor Foundation actively responded to the *14th Five-Year Plan for the Implementation of the Project of Actively Coping with the Aging Population and the Childcare Construction*[40] requirement of expanding the adequate supply of elderly and child care services in 2022 by launching the "One Elder One Child" friendly community pilot project with the China Philanthropy Research Institute of Beijing Normal University to establish "One Elder One Child" friendly service standards for property management and improve the delivery model of elderly and child care community services.

Longfor Foundation dives into four dimensions of community facilities, community services, community awareness, and community participation, focusing on three aspects: hardware construction, property services, and cultural services. We have completed the preparation of standard documents such as the *Construction Index of "One Elder One Child" Friendly Community (Draft for Comments)*, *"One Elder One Child Friendly Community" Property Service Guidelines (Draft for Comments)*, and the *"One Elder One Child" Friendly Community Hardware Construction Standard (Draft for Comments)*. We have also conducted pilot work in three Beijing communities. The pilot communities have completed hardware upgrades, established children and elderly information ledgers, demand research, lectures on children's safety and elderly health, and various charity activities under the guidance of index, manuals, and construction standards documents. We aim to create professional, replicable, and exemplary "One Elder One Child" friendly communities, provide the industry with a replicable industry guide, and enhance the professionalism and dynamism of the property team in the grassroots community via "Five Community Linkage."

Hardware Upgrade

Community Services

Charity Activities

In order to make the project pilot work universally applicable and professional, Longfor Foundation, in collaboration with Beijing Ciyou Child Welfare Research Center and China Philanthropy Research Institute of Beijing Normal University, held an experience exchange and expert seminar on "One Elder One Child" friendly community construction on December 15, 2022, inviting several experts to discuss community construction experience and draw out a service model of higher quality.

Longfor Foundation will continue collaborating with the China Philanthropy Research Institute to promote the development of "One Elder One Child" friendly communities. We will encourage the mature experience of "One Elder One Child" community services and continue to assist in constructing "One Elder One Child" friendly communities through talent training, community certification, community funding, and case studies.

[21] On June 17, 2021, the National Development and Reform Commission, the Ministry of Civil Affairs, and the National Health Commission jointly issued the *14th Five-Year Plan for the Implementation of the Project of Actively Coping with the Aging Population and the Childcare Construction*, details are available at: http://www.gov.cn/zhengce/zhengceku/2021-06/25/content_5620868.htm

Voluntary Activities

Longfor Group has participated in various charity activities for employees and customers, including Huguang Reading Companion, June 1st Children's Day Wish Adoption, Charity Walk Donation, and Charitable Marketplace. We have built Longfor voluntary activities into a matrix of three major types: volunteer service, charity action, and donation.

Longfor Group launched the *Longfor Volunteer Service Incentive Measures* on March 1, 2022, recognizing outstanding volunteers, volunteer teams, and practical charity projects. We also announce the award list[22] yearly on "1120 Longfor Charity Day" to promote Longfor volunteer spirit, create Longfor charity culture, and encourage Longfor employees, customers, and partners to participate in volunteer activities.

By the end of 2022

Total Number of Volunteers has reached

over 5,300 persons

Total Hours of Volunteer services

over 21,000

[22] https://mp.weixin.qq.com/s/wh0WXHvAl99Nu3fy27QFmA

Serial Activities on "1120 Longfor Charity Day"

Longfor celebrated the second Charity Day on November 20, 2022, with the theme "Gathering Shimmers, Benefiting Love." We reviewed charity accomplishments online and released the first image promotional film of the Longfor Foundation, comprehensively displaying Longfor's charity projects and calling on employees, customers, partners, and caring people in society to radiate more charity power with actions within their capacity.

Longfor Charity Day was introduced into the community, the Paradise Walk, and other scenarios this year. We attracted many Paradise Walk customers and members to join the volunteer team via diversified activities. We connected more than 20 cities nationwide to carry out "Charity Bazaar" activities, gathering nearly 100 caring stall owners to collect thousands of goods for charity sales. The raised funds were also transferred into a three-times donation by the Longfor Foundation. A fund of over RMB600,000 was raised for the "Xinya Project."

Longfor Charity Day Activities

"Walk for Good, Bring New Life" Charity Walk

The Longfor Foundation's "Walk for Good, Bring New Life" charity walk season officially began on April 26, 2022. This campaign connected 60 cities in China by running through multidimensional spatial scenarios such as Longfor Paradise Walk, Goyoo, Intelligent Living, and Gannet Rental. We successfully reached a donation quota of over RMB1.42 billion offered by the Longfor Foundation in 51 days thanks to the combined efforts of 40,000 employees, customers, tenants, consumers, partners, and other ecological customer Groups (RMB1 = 1,000 steps). All donations went to the "Xinya Project," which helps children with serious diseases reclaim their lives.

Longfor Foundation also launched the interactive Weibo topic #WalkToDonate# to encourage users to share their experience of donating steps and contribute to the relief of children with serious illnesses. During the campaign, the interactive Weibo topic drew the attention of 457,000 people, inspiring a broader range of people's willingness for public welfare.

Charity Walk

City Volunteers Joined Hands to Launch "Donate Together" Love Campaign on 99 Charity Day

On 99 Charity Day in 2022, Longfor Foundation volunteers from various cities joined to launch the "Donate Together" campaign. We collaborated with Longfor's offline key communities, Paradise Walks and Goyoo, and called on more people to get more support for the "Xinya Project" children. Volunteers nationwide conducted nearly 20 offline activities. Almost 2,300 people donated over RMB110,000, which was matched by Longfor Foundation and Tencent Charity, raising almost RMB450,000 to support the "Xinya Project" children with serious illnesses.

99 Charity Day Volunteers

Merchant Support

Longfor Group, leveraging its commercial real estate advantage, focused on merchants' business difficulties and implemented various support policies for merchants experiencing pandemic closures and operational difficulties. We assisted a total of 11,672 brands this year.

North China Live-streaming Season

During the pandemic closure period, Longfor Commercial Real Estate assisted merchants in exploring multi-platform live-streaming sales mode to enhance business confidence and boost commercial performance of merchants. Changying Paradise Walk aced the Douyin live-streaming section for the first time. It landed two "Hi Food Festival" food and beverage-themed live streams, completing 55 live streams in North China, with sales of over RMB1.2 million and a total of over 200,000 viewers.

Changying Paradise Walk Food Festival Live Stream

Live-streaming drove sales of

over RMB 1.2 million

with a total of

over 200,000 viewers

Regional Beauty Products Campaign with Sephora

Chongqing shopping mall's customer flow and turnover significantly decreased in August 2022 due to the pandemic, electricity restrictions, and business hours adjustment. Longfor actively helped merchants boost their sales after resuming business one after the other at the end of August.

Longfor Commercial Real Estate, combined with Sephora's September membership activities, customized regional integrated marketing plan for the brand. The campaign included online and offline linked promotion in the four major Paradise Walks, HPOINTs bonus plus code, community diversion and conversion, commodity power digging, and other means to increase brand exposure. As a result, during the campaign period, the brand stall performance reached nearly 10 million, the customer order increased by RMB230, the conversion rate increased by 5%, and Beicheng's single-day turnover on September 3 got the first in the country, which effectively boosted the brand's business confidence for the first time after the pandemic.

Charity Honors

In 2022, Longfor Foundation received a commended full score in the China Foundation Transparency Index FTI[23], and won the "Star of Guangcai Program" Group of the Year, "China Charity Ranking" Annual Model Foundation, Annual Model Organization, Chongqing Charity Award, and many other honors.

Certificate of Full Score of China Foundation Transparency Index

Certificate of Honor of Annual Model Foundation

"Star of Guangcai Program" Group of the Year

Annual Model Organization

[23] The China Foundation Transparency Index FTI is a comprehensive index system that takes the laws and regulations on information disclosure, such as the *Charity Law of the People's Republic of China* and the *Measures on Information Disclosure of Charitable Organizations*, as the reference basis for index design. The index covers information disclosure of foundations in four areas, including governance, finance, projects and fundraising.

04 Advancing with Industry

with Optimal Cooperation

Longfor Group has been adhering to the principle of optimal cooperation. We keep enhancing the supplier management system, refining procurement standards and procedures, and working to establish a sustainable supply chain. Longfor Group also pays heed to industry exchanges, promotes technological innovation with an open and compatible attitude, continues to engage in a vast array of industry cooperation, and actively promotes the value chain's synergy.

ESG Material Topic(s) Responded in this chapter:

- Supply Chain Management
- Intellectual Property Protection
- Industry Development

SDGs Goal(s) Responded in this chapter:

Supplier Management

Longfor Group abides by the *Government Procurement Law of the People's Republic of China, the Bidding Law of the People's Republic of China*, and other relevant laws and regulations. We use the *Longfor Group Tender Management Principles 2022 V3.0, Longfor Group Construction Materials and Equipment Supplier Management Measures 2022 V1.0, Longfor Group Supply Chain Function Assessment Methods 2022 V1.0, Longfor Group Cost Management System 2022 V15.0,* and *Longfor Group Construction Materials and Equipment Procurement* and *Supply Management Methods 2022 V1.0*, and other internal management systems as guidelines to carry out supplier management orderly.

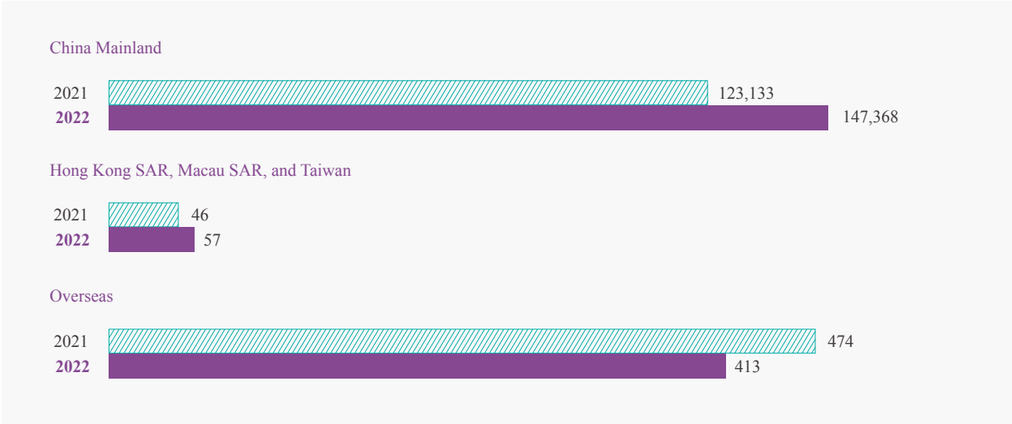
We have developed a comprehensive supplier life-cycle management system encompassing supplier entry, selection, evaluation, grading, and exit. Using risk assessment, classification, and grading management strategies, we identify suppliers with the willingness, capability, products, and services to increase cooperation and form a virtuous cycle of value chain co-progression.

As of the end of the reporting period, the Group had a total of

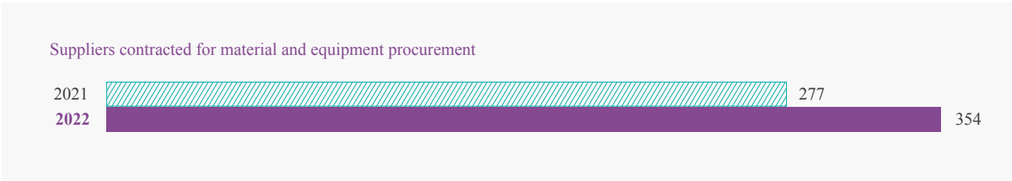
147,838

The percentage of suppliers contracted for material and equipment procurement that obtained ISO 9001 and ISO 14001

95%+



The Group's Suppliers by Region



The Group's Suppliers by Classification

Comprehensive Supplier Life-cycle Management System

Supplier Entry

- Candidates must independently register on the Supplier Management Portal and submit their certification status for ISO 9001, ISO 45001, ISO 14001, and other standards.
- We would seek suppliers, contractors, and subcontractors who have obtained third-party certifications for their quality management systems (ISO 9001, ISO 45001, ISO 14001). In 2022, the Group has selected 13,348 suppliers based on certification criteria (such as labor guidelines, product service, quality and safety, and other requirements).
- We would then conduct confirmation and inspection; the confirmation process has covered consideration of corporate compliance (social credit, employment of child labor), environmental protection and safety, R&D and customization, information technology construction, and other aspects.

In 2022, the total number of supplier that passed certification criteria (such as labor guidelines, product service, quality and safety, and other requirements)

13,348

Supplier Grading

- We would grade our suppliers in terms of willingness to cooperate, supply situation, service situation, product quality situation, and other dimensions.

Supplier Evaluation

- We routinely conduct supplier performance evaluation and grading to assess the quality and service capability of suppliers from an entire life-cycle perspective.
- We carry out random flight inspections of suppliers every year, and at least one inspection per year for critical suppliers, mainly checking dimensions such as product quality, production management, occupational health, and social responsibility.
- We implement half-yearly and annual evaluations and graded management for major suppliers and contractors. We will cancel the performance qualification for suppliers whose evaluation is below the threshold, reward excellent suppliers, and rule out unqualified suppliers.

Supply Chain Risk Management

- The Group assesses explicitly suppliers' information such as safety production licenses, certificates of products selected for green building, certificates of environmental protection building materials, governance management system certification, and other system certification documents. We strictly inspect the environmental protection level (including wastewater, waste gas, and harmless waste treatment) and production safety management system of suppliers' factories to reduce ESG risks, and would prioritize the selection of companies with good ESG performance and green products;
- Through internal audits and third-party testing, we identify the quality, health, and environmental risks of our key suppliers' raw materials, formulate ESG risk grading and determination criteria for suppliers and classify and manage suppliers' ESG risks.
- We conduct flight inspections to manage the ESG risks of our suppliers. The examination includes the use of environmentally friendly raw materials, labor protection for production workers, identification of hazardous sources, illegal child labor, production management, and quality control. The inspected suppliers with pertinent issues must make corrections, pay fines by the deadline, and implement preventive measures.
- We encourage our suppliers to actively engage in environmental protection activities to reduce their environmental footprints.

Supplier Exit

- We are gradually ruling out suppliers with relatively outdated processes, equipment, and production capacity to accelerate the industrial upgrading of our supply chain.

Longfor Group highly accentuates the quality performance of its suppliers. We regularly organize quality training work and conduct special quality training for all suppliers at least once a year. In March 2022, the Group managed a supplier quality management kick-off meeting to summarize various quality issues unraveled in supplier services. This meeting added discussions on labor protection, identification of hazardous sources, use of renewable materials, application of new energy, and emission restriction standards, effectively spurring upstream suppliers to develop sustainably. The Group has conducted 30 supplier quality interviews this year.

Longfor Group pays close attention to the charity performance of suppliers. It is committed to leading the value chain in the third social distribution. Therefore, we advocate suppliers to actively carry out charity activities such as disaster relief and education support, utilizing the "Longfor" power to strive for shared prosperity. In addition, we maintain an active relationship with our suppliers and hold approximately 30 ESG thematic exchange meetings on energy conservation and emission reduction, environmental friendliness, occupational health, and sustainable innovation to promote the value chain's sustainability.

The overall supplier quality interview conducted by the Group in 2022 reached

30 times

Procurement Integrity

Longfor Group has signed the *Agreement on Integrity in Cooperation* with all suppliers, including contractors, and required them to strictly adhere to the relevant provisions on integrity compliance in the *Code of Longfor Business Conduct*. We regulate the integrity obligations of both parties through legal contracts to promote the development of a healthy and clean supply chain.

In 2022, Longfor Group strengthened the management of integrity in procurement. We took the initiative to upgrade the bidding system platform and opened the supplier shortlisting bidding module and the Group's internal audit operation system. Furthermore, we handed over all relevance detection, conflict of interest declaration, employee turnover rate, temporary non-cooperation unit or legal person, etc., to the Group's internal audit operation system, which was a significant step forward. During the Reporting Period, no procurement corruption incidents occurred involving the Group.

In 2022, the percentage of suppliers who signed integrity agreements with Longfor reached

100%

Green Procurement

Longfor Group is a staunch proponent of green procurement and the greening of the supply chain. Following the *Green Procurement Policy*[24] and other systems, we articulate suppliers' environmental performance requirements during the bidding and procurement stages and select environmentally friendly suppliers based on their merit. In addition, we encourage suppliers to participate in the joint development of procurement dimensions to create products that are friendlier to the environment, easier to produce, and free of the volatilization of harmful substances. We have included this work in our work objectives and linked it to performance to improve the overall sustainability of the supply chain.

- We include the supplier plant's energy consumption and pollution emission performance as a requirement for participating in the bidding process. We also inspect the supplier's energy-saving and emission-purification equipment during prequalification.
- We strengthen the inspection of raw materials, requiring material suppliers to ensure that their products meet environmental standards while limiting emissions of formaldehyde, volatile organic compounds (VOC)[25], and other hazardous substances.
- We focus on purchasing materials made from renewable resources, such as gypsum plaster.
- For new expansion projects, we encourage using materials with low VOC and lead, with a preference for wood certified by the Forest Stewardship Council or its equivalent, such as FSC-certified wood.
- We apply steel wood entry doors and interior doors with synthetic wood veneer to decrease the use of natural wood veneer.
- We apply artificial stone to reduce natural stone consumption.
- We require our suppliers to use a chromium-free passivation process to produce aluminum alloy materials, which controls the presence of chromium ions at the source, enables manufacturers to achieve the goal of clean production using new products, and ensures that the final product complies with environmental regulations and does not contain toxic chromium.
- We include the green building materials star requirements to drive upstream suppliers' green and sustainable development when purchasing interior wall paints, such as stricter requirements for formaldehyde, VOC, heavy metals, etc.

[24] https://www.longfor.com/upload/file/2022-05-27/a0542863-0cba-47b1-bb46-130fd26f7b94.pdf

[25] VOCs（Volatile Organic Compounds）

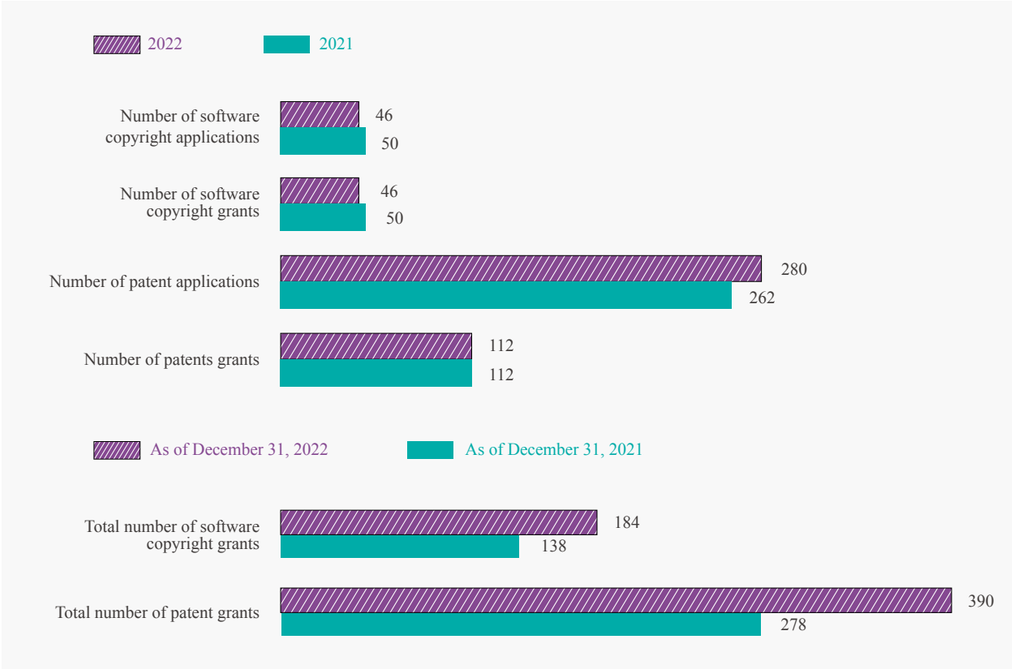
Industry Development

Longfor Group places a premium on protecting its innovative accomplishments and enhancing its technological competitiveness. We have established a solid system for protecting intellectual property. In addition, we participate actively in industry exchanges and cooperation between industry, academia, and research, continue to lead technological innovation in the real estate industry, and build a new industry ecology by joining standard organizations and industry associations and compiling industry standards.

Intellectual Property Protection

Longfor Group pays close attention to managing and preserving independent intellectual property rights and strictly regulates their use and administration. The Group abides by laws and regulations, including the *Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, and the Patent Law of the People's Republic of China*. We have formulated management regulations such as *Group Guidelines for Patent Classification and Group Guidelines for Patent Agent Assessment* to continuously strengthen intellectual property rights management covering patents, copyright, and trademark.

In 2022, the Company continued cultivating the registration and authorization of invention patents. We have applied for 280 patents, achieving a small growth in the number of patent applications over the previous year, the number of patents granted has remained the same, the number of software works granted has increased moderately and the total number of patents granted have risen substantially. In addition, Longfor Group further promoted the recognition of high-tech enterprises, accumulated recognition of 8 national high-tech enterprises, 4 Zhongguancun high-tech enterprises, and 2 enterprises of professionalism, specialization, characteristics, and novelty.



Group's Patent and Trademark Applications and Grants

Longfor Group builds a systematic notification system for the protection of rights. It ensures that the Company's well-known trademarks are reasonably protected through legal means such as litigation and trademark opposition applications to deal with all infringements. We have taken the following steps to protect our rights in 2022:

Protecting Well-known Trademarks	By filing trademark opposition and invalidation with China National Intellectual Property Administration, we have successfully nullified such trademarks as "Longfor Kaiyuan," "Longfor Impression" and "Paradise Walk Mengshidai", to protect our well-known trademarks from being weakened.
Thwarting Trademark Grabbing	By providing evidence of prior use, we were able to thwart the malicious act of trademark grabbing of "Fuxian Lake" and re-register our trademark "Fuxian Lake."
Knocking Down Counterfeit Trademarks	We successfully knocked down counterfeit trademarks such as "Guizhou Longfor Shengjing" and "Taian Longfor Park Lane," and the AIC has ordered to withdraw their licenses for rectification.

In 2022, we conducted 18 intellectual property training sessions, including two on trademarks, four on high technology, and twelve on patents, to continuously raise employees' awareness of intellectual property protection.

18 sessions

Trademark

2 sessions

High technology

4 sessions

Patent

12 sessions

Advancing with the Industry

Longfor actively participates in various types of industry-academia-research cooperation, strengthens communication with the industry by joining industry association alliances, and contributes to developing industry standards to facilitate industry-wide progress.In 2022, the Group participated in the following research topics and industry standards development:

- We participated in preparing the *Blue Book on New Infrastructure: Report on China's New Infrastructure Development (2022)*, led by the Chinese Academy of Social Sciences, and edited two sections on Smart Construction and Future Communities, becoming the unit with the most prepared chapters.

05 Harmony with Nature

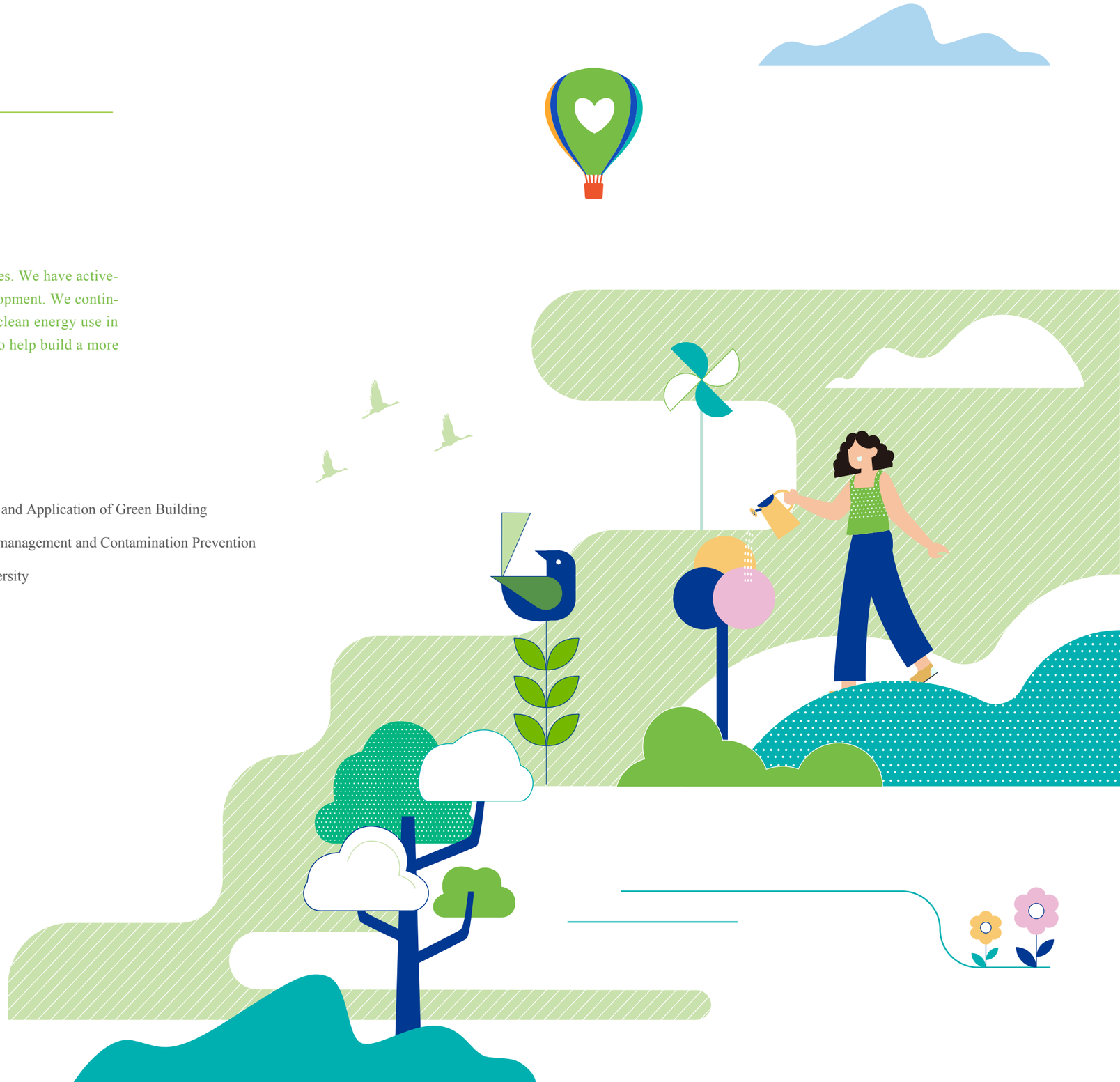
and Environment

Longfor Group practices green and low-carbon development philosophies. We have actively responded to climate change and laid out low-carbon industrial development. We continuously explore carbon reduction space and increase the proportion of clean energy use in various aspects, such as design planning, construction, and operation, to help build a more comfortable and environmentally friendly living space.

ESG Material Topic(s) Responded in this Chapter:

- Response to Climate Change
- Energy Conservation and Emission Reduction
- Water Resource Management
- Design and Application of Green Building
- Waste management and Contamination Prevention
- Biodiversity

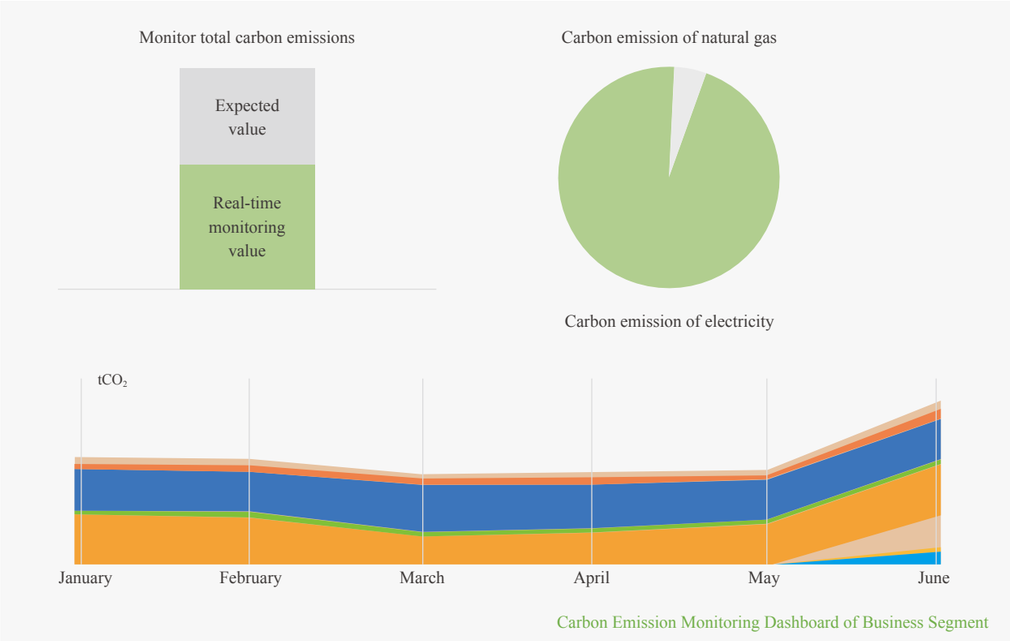
This SDGs Goal(s) Responded in the Chapter:



Special Topic: Towards the Dual-Carbon Goals

Since 1750, the concentrations of carbon dioxide, methane, and nitrous oxide in the global atmosphere have significantly increased due to human activities. As a result, climate change has become a severe challenge for humanity. Since September 2020, China has announced its carbon peak and carbon neutrality goals, and the government has continuously introduced a series of policies to promote the green and low-carbon transformation of the economy and society, advance the construction of ecological civilization, high-quality economic and social development, and high-level protection of the environment.

Longfor Group actively responds to the national call. We have established a special Dual Carbon Team to be fully responsible for implementing and promoting carbon management. The management of Longfor Group is responsible for decision-making at the top level. At the grassroots level, the Dual Carbon Technology Operation Team, Empowering Platform Working Group, and Channel Working Group support the implementation and landing of relevant work.



Carbon Emission Monitoring Dashboard of Business Segment

In 2022, under the leadership of the management of Longfor Group, the Dual Carbon Team sorted out our carbon emission situation. It formed a Group dashboard to monitor the health of the Group's carbon emissions in real-time, which effectively manages the Group's carbon emissions. At the same time, the Dual Carbon Team regularly takes stock of green building-related policies, formulates and implements guidelines for the design of the Group-level green building system, and carries out multiple carbon reduction actions to achieve the Dual Carbon goals in an all-round way.

Action Theme	Main Content
Verification of Group's Total Carbon Emissions	Approved the Group's carbon emission baseline and reviewed the business carbon emission boundaries Regularly tracked and analyzed the carbon emissions of various businesses in the Group and sought carbon reduction (carbon offset) approaches and technical solutions
Low-Carbon Construction	Measured the life cycle carbon footprint of newly constructed buildings Conducted special research on efficient data centers in commercial buildings Conducted low-carbon research and development on prefabricated buildings Conducted research and development on passive (ultra-low energy consumption) buildings
Energy-Saving Renovation	Promoted energy efficiency optimization of residential units
Exploration of the Use of Clean Energy	Conducted special research on distributed photovoltaics Conducted special research on the adaptability of ground-source heat pumps

Key Dual Carbon Actions of Longfor Group in 2022

Longfor Wuhan Xinrong Computer Room's Dual-Carbon Transformation

Longfor focused on the four major equipment, that is commercial refrigeration machine room chillers, refrigeration pumps, cooling pumps, and cooling towers. We combined technology with management and carried out energy-saving and carbon-reducing transformation work. The efficiency of the cold station has increased by 27%, and carbon emissions can be reduced by about 700 tons per year, achieving cost reduction and efficiency improvement in operation.

Adopted variable frequency chillers and refrigeration pumps → Adopted variable frequency cooling pumps to achieve automatic control of water temperature and flow rate → Used efficient data center cooling towers to improve cooling efficiency → Developed project-level *Efficient Data Center Operations and Maintenance Manual* to achieve efficient data center operation and maintenance

Nanjing Longwan Paradise Walk Dual Carbon Transformation

In 2022, Nanjing Longfor Paradise Walk carried out multiple energy-saving and consumption-reducing renovation projects. We inspected, improved, and transformed the maintenance of chillers, water pumps, cooling towers, and air conditioning terminals, achieving a monthly energy saving of approximately 22,000 kWh during the cooling season.

Hangzhou Zijin Paradise Walk Implements Green Operations via Multiple Measures

Hangzhou Zijin Paradise Walk responded to the government's call of creating a green lifestyle and continuously improved various green energy-saving control measures and guidelines by improving green management systems, using energy-saving equipment, establishing a green supply chain, carrying out green publicity, and implementing green recycling measures. In 2022, after joint evaluation by the government, Hangzhou Zijin Paradise Walk was successfully awarded the honorary title of Green Shopping Mall at the provincial and national level by the Ministry of Commerce.

Improving green management systems To improve our energy and environmental management, we establish various equipment and facility classification management systems. Meanwhile, we conduct real-time monitoring of energy consumption, regular maintenance, and energy statistical analysis using EMS and IBMS systems to achieve all-around energy consumption management.

Using energy-saving equipment To reduce energy consumption, we gradually phase out high-energy-consuming equipment, actively choose advanced and efficient energy-saving and water-saving equipment, and make full use of natural lighting and ventilation.

Establishing a green supply chain We actively seek green-bonus products and increase the proportion of sales of green energy-saving products to strengthen the development of a green supply chain system.

Offering green services Adhering to the green services concept, we have established a green service system to provide employees with energy-saving, water-saving, and environmental protection training, and organize energy-saving and environmental protection public welfare activities.

Advocating green consumption We use various forms of thematic advertising to help consumers establish a green, low-carbon, energy-saving, and environmentally friendly mindset, as well as to help consumers prioritize the purchase of green products and reduce their use of disposable non-biodegradable plastic products.

Green recycling We strictly enforce and promote garbage classification in order to increase the amount of green recycling of renewable resources, enhance environmental protection awareness, and encourage the installation of intelligent recycling equipment.

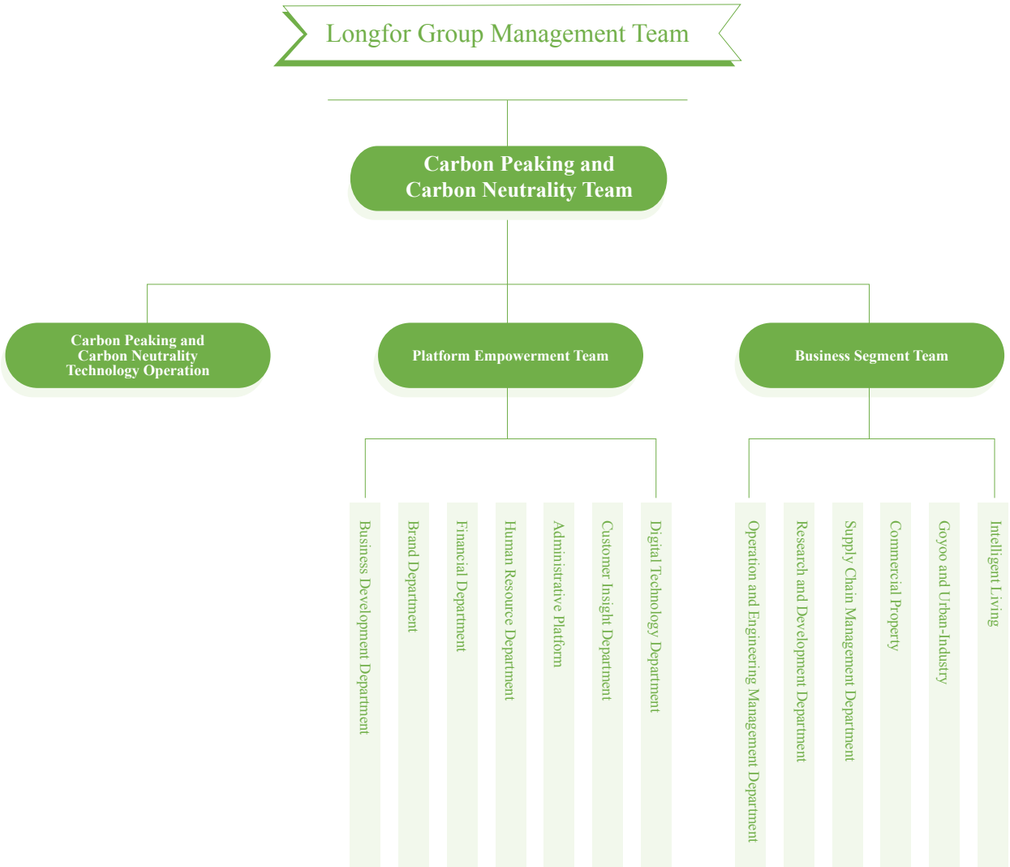
Hangzhou Zijin Paradise Walk

Responding to Climate Change

Longfor Group actively responds to climate change by incorporating low-carbon technologies in site selection, planning, designing, construction, and operation, to strengthen energy and resource management, achieve green operation throughout the entire life cycle, and jointly build a green, environmentally friendly, and sustainable living environment.

Governance

The Board of Directors of Longfor Group is ultimately responsible for climate change-related risks and opportunities. It authorizes the ESG Committee to supervise ESG management work comprehensively, including climate risk identification, assessment, and management. The ESG Committee regularly reports climate change issues to the Board of Directors. In addition, we have established a governance system for responding to climate change, led by the group management, coordinated by the dual carbon team, and supervised by the ESG committee, to comprehensively promote the implementation of the Group's climate strategy and climate risk management related work.



Governance System for Addressing Climate Change

Strategy

Longfor Group continues to monitor global climate change policies and industry trends. We formulated the *Policy for Addressing Climate Change*[26] to benchmark against leading industry companies and improve internal related system documents. At the same time, we have verified the Group's carbon emissions and developed targeted green emission reduction paths to address and mitigate climate change risks.

Business	Reduction Path
Property Development	• Develop Green Residences • Develop prefabricated buildings • Develop ultra-low-energy buildings • Increase the use of renewable energy • Improve sustainable supply chain system
Commercial Investment	• Real-time tracking and supervision of carbon footprint • Accelerate energy-saving and low-carbon skill transformation • Promote the use of renewable energy (solar photovoltaic) • Strengthen energy and waste management • Work with tenants to promote low-carbon, energy-saving philosophies
Rental Housing	• Real-time tracking and supervision of carbon footprint • Real-time tracking and supervision of energy use and waste emissions • Select low-carbon green building materials and equipment
Property Management	• Real-time tracking and supervision of carbon footprint • Accelerate energy-saving and low-carbon skill transformation • Strengthen energy and waste management • Work with residents/tenants to promote low-carbon energy-saving concepts

Longfor Carbon Reduction Roadmap

[26] https://www.longfor.com/upload/file/2022-06-17/0623e26c-d6df-4cd3-badd-444e9fbff42d.pdf

Risk Management

Longfor Group has conducted climate risk identification and analysis and formulated corresponding response measures based on the disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD) and the Company's operational situation.

Risk Type	Specific Risk	Risk Description	Risk Management
Transformation Risk	Risk of Policy and Regulatory	**Government adopts more aggressive energy-saving and carbon-reduction strategies and roadmaps:** • The Ministry of Housing and Urban-Rural Development approves the *General Norms for Building Energy Conservation and Renewable Energy Utilization* as a national standard, with the number GB55015-2021, and makes building carbon emissions calculation mandatory, which will enter into force from April 1, 2022. • The *Action Plan for Peak Carbon Emissions by* 2030 issued by the State Council clearly states the requirements of "accelerating the improvement of building energy efficiency" and "accelerating the optimization of building energy use structure." • If Longfor fails to disclose relevant environmental information in accordance with the relevant laws, regulations and policies, it will face compliance risks.	• Actively study relevant policies and regulations, strengthen communication with regulatory authorities and stakeholders, and actively respond to the demands of stakeholders. • Use energy management systems to continuously promote energy conservation and emission reduction work, carry out energy refinement management, and manage to build energy quotas and the long-term carbon emission targets. • In 2022, new regulations such as the *Longfor Group Engineering Safety Management System 2022 Edition,* the *Longfor Group Safety and Civilized Construction Management Standardization Atlas*, and the *Green Environmental Protection Construction Plan* have been formulated to further standardize green construction.
	Technology Risk	**Green building trends require higher technical costs:** • With China's 2060 Carbon Neutrality Goal, the state continues raising requirements for green, low-carbon technologies with low or near-zero energy consumption. Meanwhile, various provinces and cities have successfully issued requirements for the proportion of green building certification, which is rising. • The Sichuan Provincial Government proposed in the *Work Plan for Accelerating the Transformation of the Construction Industry and Promoting the Building of a Strong Construction Province* that green buildings will achieve large-scale development by 2025 and that the proportion of green buildings in newly built civil buildings in urban areas will reach 100%. • The Shanghai Municipal Government proposed in the *Implementation Opinions on Accelerating the Planning and Construction of New Cities in the 14th Five-Year Plan* that 100% of new buildings in new cities will comply with green building standards, and government-invested public buildings and all large-scale public buildings will comply with green building standards of two stars or above. • Suppose Longfor does not timely research and apply new green building technologies to actively improve the certification level and coverage ratio of green building identification. In that case, it will lead to compliance risks and increase additional building costs for green technology research, design, and development.	• Establish incentive mechanisms for green building technology, promote the widespread application of new green building technologies, and actively improve the certification level and coverage ratio of green building identification. • Through the industry-university-research cooperation model, accelerate the research, development, and application of innovative environmental protection technologies, and reduce the procurement costs of green building technologies. • As of 2022, there have been 109 patents related to the iteration of prefabricated products.

Risk Type	Specific Risk	Risk Description	Risk Management
	Market Risk	**Increasing demand from investors for environmental and low-carbon financing and investment:** • On the one hand, investors pay more attention to the environmental performance of real estate companies, such as building energy efficiency and green building ratios. On the other hand, investors also care about the ESG ratings of real estate companies, such as GRESB. Suppose Longfor fails to keep up with the trend of energy conservation and emission reduction in the construction industry and actively improve the Group's environmental performance. In that case, it will lead to investors' concerns about the Company's ESG rating, resulting in reduced financing for the Group. **Impact of raw material costs and supply:** • This may lead to an increase in raw material costs and decrease the Group's operating income.	• Strengthen communication with stakeholders such as investors and actively showcase the Company's image of low-carbon environmental protection, energy conservation, and emission reduction. • Continuously enhance the disclosure level of the Group's environmental performance and actively improve ESG-related rating results.
	Reputation Risk	**Customer preferences for low-carbon consumption shift:** • With the shift in public preference for low-carbon consumption, if Longfor fails to reduce carbon emissions in its production and operation processes effectively, it will directly lead to a decrease in customer demand for Longfor's related products and services revenue.	• Strengthen communication with customers and investors and actively showcase the corporate image of low-carbon environmental protection, energy conservation, and emission reduction. • Implement sustainable development measures in tenants and supply chains. • In 2022, 96% of Longfor's tenants signed more than 15,000 green leasing contracts.
Physical Risk	Acute Risk	**Impact of Extreme Weather:** • Extreme weather conditions such as typhoons and heavy rainfall can cause construction work to stop or delay, increasing costs. Extreme weather can also damage related assets such as land, increasing asset costs and maintenance costs.	• During the project design phase, fully consider the impact of extreme weather on company operations, avoid project construction in related areas in advance, and strive to reduce potential losses caused by risks. • Develop emergency plans for extreme weather such as typhoons and floods, actively conduct emergency drills, and improve safety emergency response capabilities. • Adopt sponge city design, set up permeable pavement and sunken green space, increase rainwater infiltration efficiency, and minimize the impact of heavy rain on company business operations.

Climate Change Risks and Responses

Meanwhile, the Group closely follows the national low-carbon transformation policies, seizes climate change-related opportunities, and continuously enhances the core competitiveness of the enterprise. The identified climate change opportunities are shown in the following table:

	National Policies Support/Subsidies	Adaptability
Opportunity Description	**Incentive policies implemented for green buildings:** The financial subsidy standards of each province and city are mainly designed based on star rating standards, building area, project type, and project ceiling, and currently, 9 provinces (municipalities) have specified the number of financial subsidies for star-rated green buildings, with subsidies ranging from 10-60 yuan/m^2.	**Enhanced adaptability to climate change:** Against the backdrop of global temperature rise, the Group actively reduces energy consumption and emissions, including energy-saving measures in office areas and the use of a large amount of clean energy to reduce carbon emissions. At the same time, emergency plans for extreme weather are formulated to enhance the Group's adaptability to climate change transformation and physical risks, ensuring the stability and continuity of business operations.
Opportunity Responses	• Continuously follow up and study relevant policies and subsidies for green buildings to actively obtain national or provincial green building operation identification; • In 2022, 8 new national or provincial green building operation labels were added.	• Emergency plans for extreme weather are formulated, and corresponding emergency drills are conducted to mitigate the impact of physical risks of climate change on the Group's business; • The widely applied energy-saving technologies and clean energy ensure that the residential energy-saving rate meets the 65% energy-saving design standard for residential buildings.

Climate Change Opportunities

Indicators and Goals

Longfor Group has established the goals of greenhouse gas emission reduction and green building certification.We regularly monitor key climate indicators and report on our goals' progress.

Greenhouse Gas Emission Reduction Goal

15%

By 2030, the carbon emission intensity per unit area of the Group will be reduced by 15%.

The progress of Greenhouse Gas Emission Reduction Goal in 2022

3%

In 2022, the carbon emission intensity per unit area of the Group has reduced by 3%.

Green Building

100%

Since 2021, all new projects of Longfor Group will meet the national green building star rating standard, and we still encourage obtaining higher level certifications (including: national green building two-star, three-star certifications; US LEED certification, WELL certification).

We are committed to reducing carbon emissions and minimizing our operational carbon footprint. In 2022, Longfor Group's carbon emissions per RMB10,000 of revenue was 0.02430 tons of CO_2 equivalent, a reduction of 15.2% compared to 2021.

In 2022

Carbon emission intensity

0.02430

(tCO_2e/ revenue of RMB10,000)

Rate of decrease compared to 2021

15.2%

	Unit	2022	2021	2020
Scope 1 Emissions	Tons of carbon dioxide equivalent	21,372.96	26,522.60	10,775.66
Scope 2 Emissions	Tons of carbon dioxide equivalent	587,625.15	613,586.31	538,611.66
Total Emissions[27]	Tons of carbon dioxide equivalent	608,998.11	640,108.91	549,387.33
Greenhouse Gas Emission Density	Tons of CO_2 equivalent per RMB10,000 of revenue	0.02430	0.02865	0.02980

Longfor Group's Greenhouse Gas Emissions

[27] The greenhouse gas emission is indicated in CO_2 equivalent. The power emission factor is converted following the *2012 Baseline Emission Factors for Regional Power Grids in China*.

Green Building

Longfor adheres to the role of promoter and leader in green building, follows the concept of sustainable development, and uses cutting-edge international design and materials to create green buildings. From site selection and planning to operation, it protects the ecological environment, implements standardized construction standards, and ensures that projects' development, construction, and operation are friendly to the environment and the community.

Green and Low-Carbon Philosophies

Project Location Selection and Preparation

Evaluate the local environment and surrounding ecosystem of the project site to reasonably avoid environmentally sensitive areas

01

Product Design

Ensure that product design is in harmony with climate and environment, enhance the green performance of products, and make full use of passive natural resources, achieve resource and energy conservation to reduce the impact of product use on surrounding biodiversity and ecosystems

02

Project Construction

Promote green and civilized construction with high standards and strict requirements, participate in ecological restoration around the project, and adopt ecological compensation mechanisms to protect the biodiversity around the project

03

Project Operation and Work

Adopt measures actively to improve the efficiency of resource and energy use and reduce pollutant emissions

04

Green Building Goals and Certification

Longfor follows new national and industry standards for green buildings, such as the *Assessment Standard for Green Building*.Based on the climate characteristics, energy-saving categories, and energy-saving levels of the building's location, we maximize natural ventilation and lighting, energy-saving technology, and clean energy. The energy-saving rate of residential buildings meets the requirements of the 65% energy-saving design standard for residential buildings. In addition, we strive to practice the highest standards of green building by controlling details such as land and material conservation, using environmentally friendly materials, and ensuring indoor environmental quality.

Goal

Since 2021, all new projects of the Group must reach the national green building star rating standard and encourage obtaining higher level certifications (including national green building two-star, three-star, American LEED[28] certification and WELL[29] certification).

2022 Goal Achievement

100 %

We are actively promoting green building certifications such as LEED, WELL, BREEAM[30] FITWEL[31], and China's green building standards and referring to the highest standards and best practices of these certification systems in our building design and operation.

In 2022

the number of the Group's certified green building projects reached

8

the Group obtained green building certification for a project area of

1,280 thousand square meters

the proportion of project area that meets green building standards for the Group reached

100 %

the proportion of new projects of Longfor Group that meet the three-star green building standard

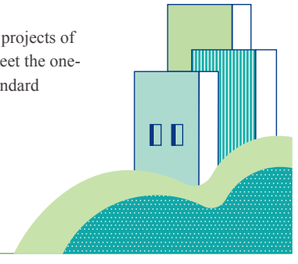
2 %

the proportion of new projects of Longfor Group that meet the two-star green building standard

27 %

the proportion of new projects of Longfor Group that meet the one-star green building standard

49 %



By the end of 2022

the number of the Group's projects that meet the green building standard reached

548

The accumulated area of the Group's projects that meet green building standards

over 130 million square meters

2022 Longfor Group's Green Building Certification Status

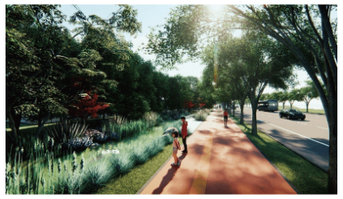
[28] LEED rating system | U.S. Green Building Council (usgbc.org)
[29] International WELL Building Institute (wellcertified.com)
[30] BREEAM | BRE Group
[31] Fitwel — Fitwel Certification | Certify Your Building or Site Project

Longfor Sino-German Future City received multiple green building certifications

As the first regional project in China to cooperate with EU countries, the Qingdao Sino-German Future City project located in the Sino-German Ecological Park aims to strengthen and deepen economic cooperation between the two countries, promote sustainable development in industrial production, achieve high energy-efficient buildings, and provide support for the sustainable development of the future economy.

Central Park

Rooftop Garden



Green Corridor

Ecological Park

Urban farm

Corner Park

In the project development, we actively improve resource utilization and continuously upgrade equipment, while strengthening the green attributes of the buildings to enhance customer experience. In terms of resource utilization, we plan to establish city-level supporting parks, giving them different landscape functions based on the attributes and needs of the planned plots. In the first phase of the project, we have forged corresponding supporting parks, and through the reorganization of the original terrain, we have built a popular science base for ecological awareness and education. The current ditches inside the park is suitable for protective restoration as a green space, providing strong support for creating a waterfront ecological park and showcasing landscape functions such as rainwater gardens, paving, water systems, bird-friendly plants, local plants, and rainstorm management display walls. At the same time, we have reorganized and constructed the original terrain to create a five-fold landscape park that promotes ecological awareness, education, and beauty, providing a new space for community communication.

In terms of equipments and facilities, we have adopted various advanced green technologies. The 1-5 groups and part of the second phase of buildings have been awarded the three-star national green building certification, while the remaining buildings have been awarded the two-star national green building certification. In addition, all of the stacked buildings in the Sino-German Future City are passive buildings and have passed the German PHI certification[32]. Currently, the green technologies used in this project are shown as follows:

·Passive House Technology

We apply high-performance external insulation system, high-performance passive external windows, continuous and complete airtight layer, movable external sunshade, and adopt 21 technology for thermal bridge-free nodes[33] to meet the requirements of summer shading and winter warmth, and reduce the use of air conditioning and other equipment. In terms of equipment, we use high-efficiency fresh air unit with heat recovery, temperature and humidity independent control system, intelligent control system, and household air source fresh air unit to achieve intelligent unified management of equipment and reduce unnecessary energy consumption.

·Use of Clean Energy

By setting solar panels on the balcony of the residential facade, we use them for heating and hot water insulation for residents, improve energy utilization efficiency, achieve energy, land, water, and material savings, environmental protection, and pollution reduction, provide healthy and efficient use, and build clean energy buildings in harmony with nature. Meanwhile, we are building an active energy management system that connects various energy facilities such as water, electricity, gas, and heat (cold) smart meters, building energy consumption equipment, and sensing devices in the background to achieve the aggregation of energy consumption data for the entire area and real-time monitoring of energy efficiency.

·Sponge City Technology

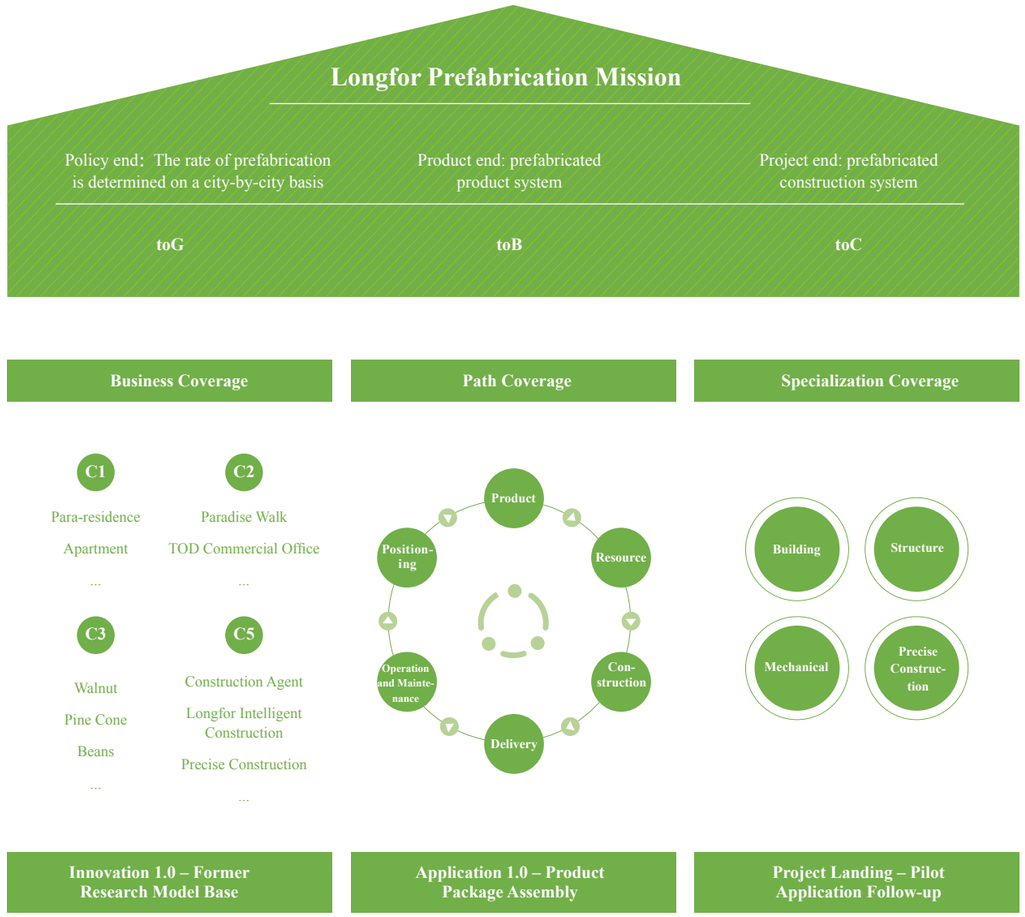
We apply measures such as permeable brick paving, flat curb stones, and rainwater pipe breaks to avoid rainwater directly entering the community's rainwater pipe network, while diverting rainwater into sunken green spaces and rain gardens for storage, purification, and infiltration.

[32] The German Passive House Institute (PHI), the founding and authoritative body for international passive house technology, guarantees the strict quality requirements of passive houses by providing certification of professionals worldwide.

[33] The design of node structure without thermal bridge is one of the most critical design elements to achieve the goal of ultra-low energy consumption building. The thermal bridge generated through the non-transparent enclosure structure is mainly at the corner of the wall, rainwater pipe bracket and other parts, and the structural thermal bridge generated at the corner of the wall is treated with insulation layer covering, so that the thermal bridge coefficient of this part is less than 0.01W/(m·k).

Prefabricated Buildings

Longfor actively responds to the call of national prefabricated building policies. We aim to improve building quality and construction efficiency, reduce resources, energy consumption, and construction waste, realize a low-carbon and environmentally friendly industrialized construction mode through standardized design, industrialized production, prefabricated construction, and collaboration, and lead the construction industry's healthy development.



Longfor Prefabrication System

Since the launch of prefabrication R&D in 2017, Longfor has actively explored and practiced prefabricated projects, and now has the ability to provide full-cycle, multi-format, and strong R&D prefabrication.

Full-Circle Competency

Planning and Positioning

Accurately position in the early stage of the project, implant the concept of prefabricated construction, and match prefabricated products according to project needs.

Standardized Design

Based on Longfor's product standard system, integrate architecture, structure, landscape, MEP, and refined decoration into a unified and integrated design, using BIM models for professional communication and collaboration to avoid errors and omissions.

Industrialized Production

Effectively integrate high-quality supplier resources, covering 110+ types of prefabricated materials, and using OEM/ODM outsourcing for core products to achieve standardization and modularization of materials and parts.

Prefabricated Construction

Based on a prefabricated construction system, apply standardized management processes, effectively organize industrial workers, and standardize prefabricated processes and procedures.

Digital Collaboration

Relying on Longfor's strong digital capabilities, achieve digital management of the entire business process, providing customers with more efficient, intelligent, secure, and transparent construction services throughout the entire process.

Longfor's Full-Circle Prefabricated Refined Construction

Multi-sector Competency

Longfor prefabricated products have been used in a variety of industries, including residential, apartment, office, commercial, medical, and health care, and have covered more than 380 projects with a total construction volume of more than 20 million, of which 49 projects have been completed in the residential sector, covering an area of 2.41 million square meters; and more than 120 projects have been completed in the apartment sector, covering an area of 1.49 million square meters, involving 45,000 rooms; the office sector has completed over 70 projects totaling 380,000 square meters; and the commercial sector has completed 142 projects totaling 18.44 million square meters.

A total construction volume of more than

20 million square meters

Residential Sector

Apartment Sector

Office Sector

Commercial Sector

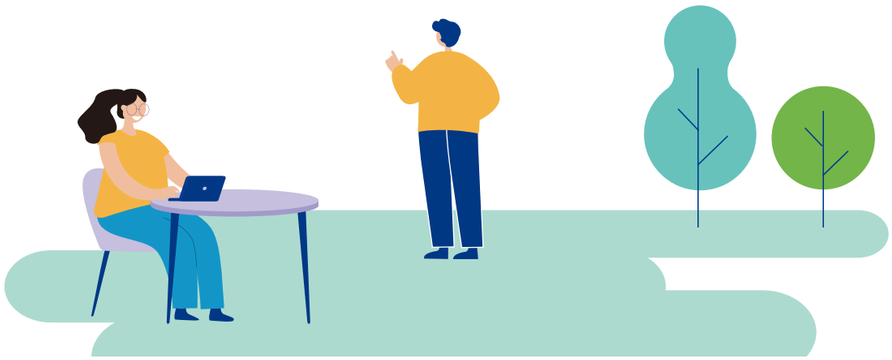
Hospital Sector

Elderly Care Sector

Qingdao Longfor – Jinglin Jiuxu Three-star Green Building Residential Projects with Prefabricated Bulk Refined Decoration

Qingdao Longfor Jinglin Jiuxu is Longfor Group's first green three-star residential prefabricated project with mass refined decoration. It scored as high as 91 points according to the national standard GB/T 51129-2017 *Standard for Assessment of Prefabricated Building*. Longfor Group has very strict requirements for environmental protection of indoor prefabricated products. For example, the prefabricated wall products use ENF-grade new materials, and the formaldehyde content is only 0.003mg/cubic meters, far below the national strictest standard requirement of 0.025mg/cubic meters.

Qingdao Longfor - Jinglin Jiuxu



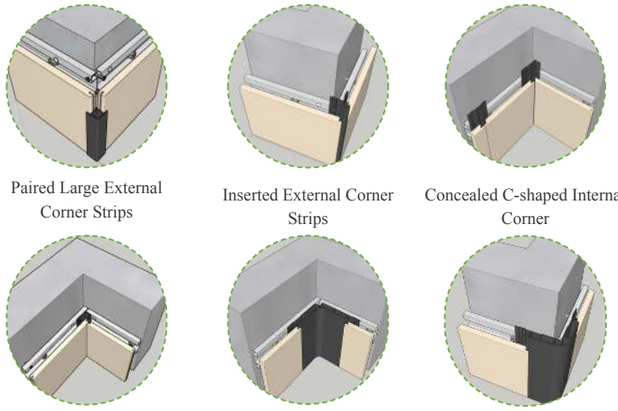
Strong R&D Capacity

Longfor's prefabricated R&D work has completed dozens of technical research topics and 207 encapsulated nodes after years of capability accumulation. We have applied for 150 prefabricated related patents (including 77 invention patents, 68 utility model patents, and 5 appearance patents, of which 70 have been granted and 80 are under review.) We have also formulated multiple internal enterprise standards, such as the *Prefabricated Wall Decoration Panel System Standard*, and established and improved the Longfor prefabricated system. At the same time, we participated in making industry and association standards, such as the *Technical Specifications for Hotel Prefabricated Decoration*, contributing to the construction of the standard system for the prefabricated building industry.

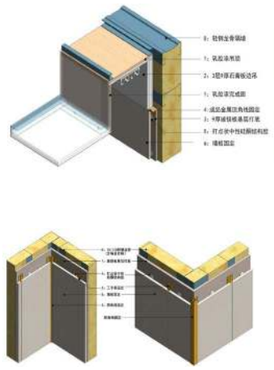
As of December 31, 2022

the number of prefabrication patents is

150

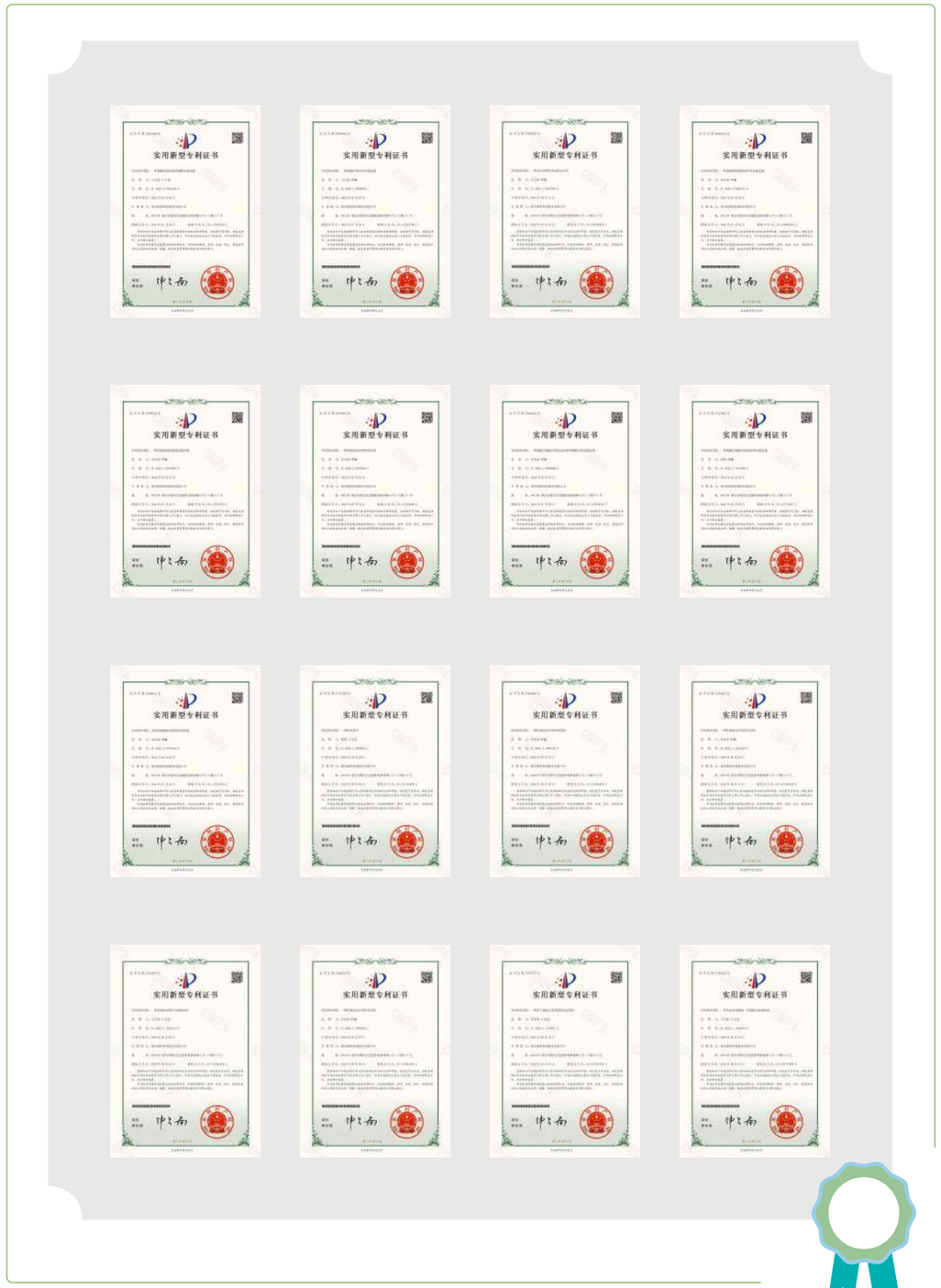


3D Rendering of Prefabrication Nodes



Detailed Illustration of Prefabricated Nodes

- A point-shaped leveling component
- A wall leveling keel component
- A split-type wall finishing line
- An embedded kick line
- An embedded combined kick line
- A top corner edge folding structure
- A split-type kick line
- An assembled ground integrated structure
- A detachable wall structure
- An integrated prefabricated partition structure with wire slots
- An integrated prefabricated partition structure with water pipe slots
- An edge profile for prefabricated background wall
- Wall splicing structure
- An exposed corner component



Patents Related to Longfor Prefabrication Technology

Tansit-Oriented Development (TOD[34]) Complex Project Development

Based on the basic principles of TOD design, Longfor Group has established a comprehensive TOD product perspective, covering six major scenes: intercity hubs, urban business districts, regional centers, neighborhood centers, overbuilding of vehicle depots, and TOD new towns. As of December 31, 2022, Longfor has established 113 self-owned complexes and 80 TOD projects, covering 28 cities, with a total development area of over 10 million square meters, with TOD as the core of the all-format development.

As of December 31, 2022

the number of established self-owned complexes is

113

with TOD projects

80

covering cities

28

Site Selection

Centered around rail transit and high-density compact development while setting residential and office areas around commercial complexes, achieving a balance of living, shopping, and working, creating a convenient and fast living circle within walking distance.

Design

Guide users to prioritize walking, cycling, and public transportation over driving through design and planning and create low-carbon and healthy TOD projects by combining green space systems, green buildings, and sustainable infrastructure.

Construction

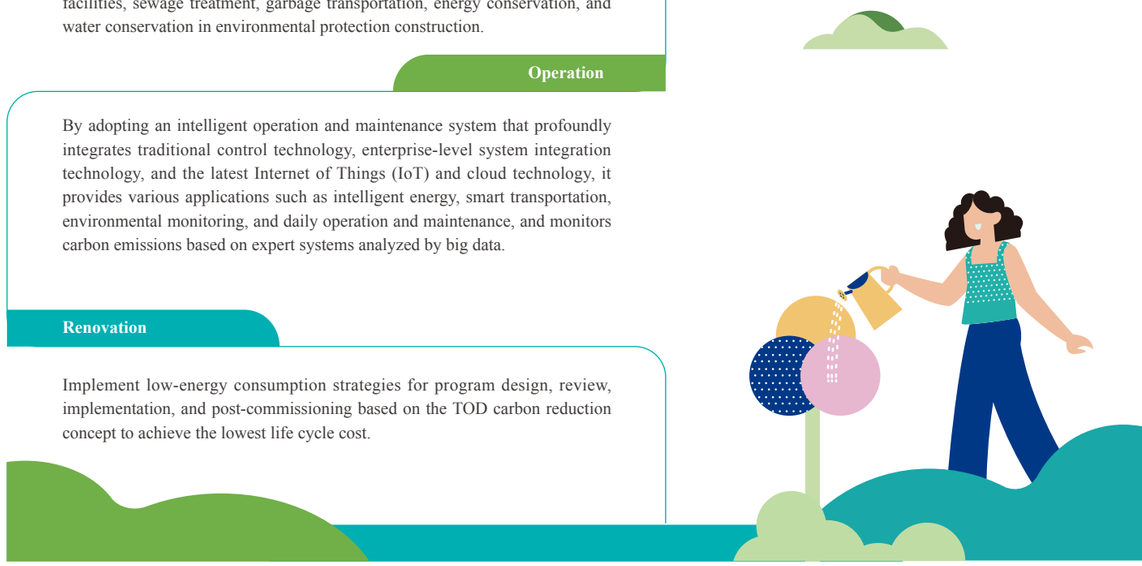
According to the *Longfor Group Engineering Safety Management System 2022 Edition* and the *Longfor Group Safety and Civilization Construction Management Standardization Atlas*, comprehensively supervise the anti-dust facilities, sewage treatment, garbage transportation, energy conservation, and water conservation in environmental protection construction.

Operation

By adopting an intelligent operation and maintenance system that profoundly integrates traditional control technology, enterprise-level system integration technology, and the latest Internet of Things (IoT) and cloud technology, it provides various applications such as intelligent energy, smart transportation, environmental monitoring, and daily operation and maintenance, and monitors carbon emissions based on expert systems analyzed by big data.

Renovation

Implement low-energy consumption strategies for program design, review, implementation, and post-commissioning based on the TOD carbon reduction concept to achieve the lowest life cycle cost.



Basic Principles of TOD Design.

[34] Transit-Oriented-Development, a development model oriented by public transportation.

Tailoring TOD to local conditions

Tailored to different cities, different regions, different needs, etc., each TOD is unique.

Designing TOD and city together

TOD is a century-long plan for urban renewal, which must start from urban planning and design to achieve harmony and unity with the city's architectural form and overall image in the best way possible and to withstand the test of time.

Perfect integration of business + industry

The diverse integration of different industries and the interaction and symbiosis between business and industry are the fundamental differences between TOD projects and ordinary commercial real estate.

What's more important than construction is the ongoing operation

Good continuous operation gives life to each TOD project so that TOD projects can continue to boost vitality for urban development

Empower beautiful life via scenarios + spirit

By upgrading the TOD scenarios and injecting rich spiritual connotations, it becomes an urban living destination for different people and empowers the city for a better life

Longfor TOD Product Values

TOD Six Product Lines

TOD New City	Urban Business Cycle	District Center	Neighborhood Center	Build upon road	TOD New City
Build upon High-Speed Rail Station	Old City Renovation	Build upon MTR	Road Switch	Quality building	Technology-Education New City
High-Speed Rail Station Area	New City Cultivation	Build upon bus stop	Life Node	Operation care	Industry New City

Longfor TOD Six Product Lines

Hangteng Future Community Project Helps Improve Efficiency and Reduce Carbon Emissions

Longfor Group has created the Hangteng Future Community, a TOD model based on transportation, which closely connects people, industry, commerce, and station hubs, improving transportation efficiency and reducing carbon emissions while facilitating people's daily lives and travel.

Here, we have created five five-minute travel circles, including five-minute access to high-speed rail, subway, expressway, schools, and shopping malls, enhancing the travel experience. At the same time, we separate pedestrian needs from vehicle traffic to reduce carbon emissions caused by congestion. On the one hand, we have set up a social public parking garage with motor vehicle pick-up and drop-off islands underground to ease the traffic pressure on Hangteng Avenue during school drop-off and pick-up times. On the other hand, through the circular arrangement of aerial corridors, we have connected the kindergarten and the twelve-year education school pick-up and drop-off channels, reducing pedestrian traffic and lowering the incidence of traffic accidents.

In addition, we establish a future digital transportation system to ensure the creation of shared parking spaces during off-peak hours, achieve online sharing of parking resources throughout the city, and improve the turnover rate of urban parking. To establish shared parking areas, we fully utilize the differentiated peak traffic times in commercial, residential, school, and school-enterprise economic park spaces. Furthermore, through an online parking platform, we manage parking space status, enable intelligent payment by users, and reduce carbon emissions caused by searching for parking spaces and making payments.

Multidimensional transportation design for Hangteng Future Community

Hangteng Future Community Construction Philosophy

Future Community Common Pain Points

Lack of overall planning and sustainability

- Due to the lack of overall operation, different business formats operate separately, and thus are unable to form resource coordination and linkage.
- Digital operation has not been integrated into the overall operation system.

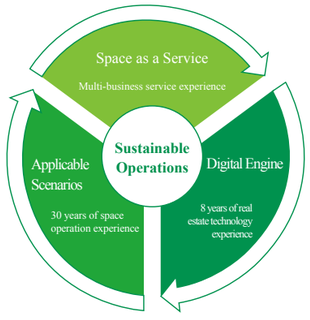
The management is detached from operation, and thus neglecting people's living needs.

- Disconnection between Digital Content and Community Operation Scenarios
- Digital operation is not integrated into the overall operation system.
- The management focuses too much on display effects and thus neglecting people's living needs.

Difficult to Implement

- The management forces hard indicators on the operation, and thus neglecting people's living needs.
- Digitalization and unsustainable operations make it difficult to implement scenarios.

Hangteng Future Community Integrated Solution



Chengdu · Shangcheng Paradise Walk TOD Project

Longfor has used the world's leading TOD model as a template to create the Shangcheng Paradise Walk project at the core intersection of Chengdu's inner ring subway. This project is Chengdu's first large-scale commercial development that seamlessly connects five rail transit stations. Additionally, the more than 20 bus lines surrounding Paradise Walk and the soon-to-be-upgraded Chengdu North Station high-speed rail hub form a benchmark for urban TOD with "subway + high-speed rail + bus."

Chengdu Shangcheng Paradise Walk TOD project

Chongqing Jinsha Paradise Walk was awarded Chongqing Green Shopping Mall

Chongqing Jinsha Paradise Walk is a high-speed rail TOD project created by Longfor. By establishing a seven-story underground building, we achieve seamless transfer between various transportation modes such as high-speed rail, rail transit, ring road, bus, and taxi. At the same time, we build an "intercity TOD comprehensive hub" above the hub, integrating living, working, leisure, medical care, and education. It can accommodate about 300,000 people daily and is expected to accommodate 900,000 people daily in the future, achieving efficient social operation. Chongqing Jinsha Paradise Walk, as the first TOD project in China to be combined with a commercial high-speed train hub, actively responded to the government's call for "Green Consumption" and continued to carry out various green energy-saving actions, setting an example for urban green operation. In 2022, Chongqing Jinsha Paradise Walk successfully passed the evaluation of Chongqing Green Shopping Mall.

In terms of mall management, we have completed the transformation and upgrade of the "IBMS Intelligent Building Management System". Through platform control, the mall has achieved parallel operation strategy and execution supervision, and reached the goal of optimal control of various facilities and equipment to save energy and reduce consumption.

In terms of merchant management, the mall promotes "Green Operation" to its merchants via various means. We post energy-saving and consumption-reducing management regulations and advocate saving water, electricity, gas, and "three closes and one turn-off" during weekly merchant meetings. Through diversified approaches, we have integrated the concept of green operation into the daily operation and decision-making of each merchant.

To further promote the philosophy of green consumption, the mall regularly holds activities such as green environmental protection, low-carbon travel, and garbage classification. In 2022, we collaborated with paper art artists to create the "Spring Flower Realm" natural art exhibition using environmentally friendly materials, attracting consumer attention and promoting the green philosophy of environmental protection. In addition, during the spring season, we hosted a low-carbon pet party with the theme of promoting green travel and environmental protection, effectively spreading the concept of green travel through interactive activities with consumers.

Chongqing Jinsha Paradise Walk

Ultra-Low Energy Consumption Buildings

Longfor adopts green and healthy buildings as its design standard and promotes the research and application of green buildings. In the design stage, we fully consider the climate conditions and use the surrounding energy and resources well. We reduce energy consumption during the operation stage of the building by using natural lighting, natural ventilation, and protective building structures, and we promote the sustainable development of the building. In 2022, we created ultra-low energy consumption buildings in Shanghai and Hefei and conducted special research and development on the ultra-low energy consumption building system. We will reduce building energy consumption while providing a high-quality living environment.

The ultra-low energy consumption building project design scheme in Jiangqiao Town, Jiading District, Shanghai

Longfor Group follows the"passive priority, active optimization" principle in design and creates ultra-low energy consumption building projects in Jiangqiao Town, Jiading District, Shanghai. To achieve the indoor environment and energy consumption targets, we adopt multiple passive measures, including prioritizing external shading, energy-saving doors and windows, and thermal insulation of the enclosure structure to reduce the demand for building heating and air conditioning. At the same time, we improve the energy efficiency of heating, air conditioning, and fresh air systems and utilize renewable energy, such as solar energy, to achieve a far lower level of building energy consumption than conventional buildings. According to statistics, after this design, the energy consumption levels of heating, air conditioning, lighting, domestic hot water, and elevators should be reduced by more than 50% compared to the 2016 building energy-saving design standards.

Design rendering of the ultra-low energy consumption building project in Jiangqiao Town, Jiading District, Shanghai

Ultra-low energy consumption technology scheme for the Shanghai Free Trade Zone Lingang New District

In the ultra-low energy consumption technology scheme of the Lingang New Area in the Shanghai Free Trade Zone, Longfor Group combines passive energy-saving measures with active energy-saving measures to maximize the reduction of building energy consumption. This project comprises 14 buildings with a total energy consumption of approximately 8.25 million kWh. It is expected to save 3.60 million kWh of electricity and 0.12 million m^3 of natural gas annually, reducing carbon emissions by 3,265 tons per year and contributing to Shanghai's goal of reaching peak carbon emissions by 2025.

- **Thermal performance with envelope**: **15%** reduction in building heating and air conditioning
- **The energy efficiency of cooling and heating source units**: the energy efficiency of multi-connected units is **16%** higher than the national *Energy Design Standard for Public Buildings*
- **Renewable energy**: the proportion of solar-heated water usage is higher than **20%**
- **Water-saving appliances**: all appliances meet water-saving requirements
- **Water-saving irrigation technology**: the application of micro-sprinkler or drip irrigation technology covers more than **90%** of the greening area, and rainfall sensors are set
- **Rainwater recycling system**: more than **60%** of green watering and road watering water comes from the rainwater recycling system
- **Green building materials**: concrete, mortar, exterior windows, and other building materials are green certified

Low-energy and refined operation achieved in Suzhou Longfor Center

Suzhou Longfor Center applies the IBMS system and implants standardized operating strategies into equipment to comprehensively optimize intelligent management levels and achieve zoning and hierarchical control of lighting, air conditioning, and other systems, thoroughly reducing building energy consumption.

- Lighting system: Energy-saving control measures such as zoning control, timing control, and induction control are adopted; a lighting operation plan is created to adjust general lighting and landscape lighting time according to changes in sunlight in winter and summer and adjust the lighting start and stop time for unoccupied floors at night through precise time control to achieve energy savings.
- HVAC system: IBMS can use sensors to read real-time operating data of equipment and automatically adjust parameters such as air conditioning water valves, air valves, and fan frequency to achieve precise temperature control while ensuring the comfort of occupants and achieving energy saving.

Suzhou Longfor Center

In 2022, the monthly energy budget of Suzhou Longfor Center decreased by 26.2% compared to last year, and a total of 917,447 kWh of electricity was saved throughout the year.

Green Construction

Longfor Group complies with laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Construction Law of the People's Republic of China*. We have formulated system documents such as the *Longfor Engineering Safety Management System 2022 Edition,* the *Longfor Safe and Civilized Construction Management Standardization Atlas*, and the *Green Environmental Protection Construction Plan*. Furthermore, we consider the surrounding environment of the construction site, clarify the green construction standards, manage issues such as dust and noise during construction, and regularly monitor the surrounding area to minimize the environmental impact.

Green Construction Measures

Dust

- An automatic vehicle flushing device is set at the construction site entrance to flush the vehicles, and a three-stage sedimentation tank is equipped for the car washing tank.
- It is strictly prohibited to bring mud, overload, or unclosed vehicles on the road, and special personnel are set to check
- When conducting earth construction work, the area that is temporarily not under construction will be covered by dust nets
- Install sprinklers around the construction site to sprinkle and water regularly
- Apply spray water services and other measures to engineering pickup and unloading during earth construction operations

Waste Water

- Set up sedimentation tanks for concrete pumping routes and car washing platforms at construction sites, and recycle or exclude wastewater after sedimentation
- Set up a tertiary sedimentation tank on site and in the living area to discharge the sewage after sedimentation
- Living area cafeteria and shower room sewer lines have been equipped with filters and connected to the municipal sewage pipeline to ensure smooth drainage

Waste Gas

- Strengthen the maintenance of equipment and vehicles to ensure that the waste gas emissions of construction vehicles and machinery meet the emission standards set by the state and local governments

Water and Power Conservation

- Control the water consumption at the construction site and set the sprinklers to be turned on and off at regular intervals
- Projects in need of precipitation by design can use groundwater instead
- Set up rainwater collection tank
- Use of water-saving, energy-saving living appliances and on-site lighting

Garbage

- Timely clean garbage and dirty on the construction site
- Store living and construction garbage by classification, entrust dumping companies for transportation and specify the use of enclosed garbage truck

Waste

- It is strictly prohibited to burn all kinds of waste in and around the construction site
- Recycle and reuse waste, such as steel remnants to make stirrups, waste formwork to make stair protection panels, hole protection, mobile flower beds, etc.

Reuse of Steel Plate Road

Solar-powered Street Light

Intelligent Water Monitoring

Intelligent Electricity Monitoring

We attach great importance to noise management, regularly monitor noise levels, and ensure that noise management meets national and regional standards.

Noise control plan for Panyu Bus Hub

The construction project of Panyu Bus Hub was located next to Guangzhou Metro Line 3 Station, adjacent to Panyu Square and the district government, with many residential communities nearby, which posed a high demand for noise control during construction. Longfor Group actively researched construction plans and used the static pressure pile construction process to minimize construction noise and avoid impacting the lives and work of nearby residents as much as possible.

Construction Site of Panyu Bus Hub

Low-Carbon Operation

Longfor Group strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China,* the *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.* We practice green and energy-saving, continuously strengthen energy efficiency, water resource, and waste management, and promote green leasing to achieve green operations.

Energy Management

Longfor Group has formulated the *Longfor Smart Service Group Energy Management System* and the *Longfor Environmental Policy* [35]. The Property Engineering Department has developed energy and resource management systems such as the *Project Energy-saving and Consumption-reducing Operation Guidelines and the Recommended Measures for Energy-saving and Consumption-reducing*, and strictly regulates energy use. To strengthen energy management, we have established an energy management system from the Group to the business units, set annual energy consumption targets, and decomposed them to each business unit. Each business unit has dedicated personnel to collect and analyze energy consumption data and produce monthly energy management reports to be submitted to the Group's energy management engineer. At the same time, energy management personnel in each region must conduct at least two energy-related inspections of all projects in their area each year. In addition, the Group conducts random checks on regional energy situations every quarter and provides corresponding rewards and punishments based on the results of the examinations.

Longfor is committed to creating green businesses. In project construction and operation, targeted energy-saving plans are developed, intelligent control systems are applied, green energy-saving technologies are adopted, and energy-saving equipment application ratios are continuously improved from multiple angles. As of December 31, 2022, Longfor Property Management replaced 114,400 intelligent lighting fixtures and installed 3,914 air conditioning temperature controllers, reducing energy consumption by approximately 16 million kWh; Longfor Property Management saves an average of 23.3% of energy per month, with a total energy savings of 700,363.18 kWh.

As of 31st December, 2022, 50% of commercial projects of the Longfor Group have used clean energy.

The number of air-source heat pump projects is

11

The percentage of the hot water produced by air-source heat in projects that use this technology is

70%

The number of solar hot water projects with solar energy is

18

The percentage of the hot water produced by solar energy in projects that use this technology is

64%

Solar photovoltaic projects

9

[35] https://www.longfor.com/upload/file/2022-05-30/0ad97cb7-086c-4849-a120-d2bce9c994d9.pdf

The Group actively responds to the national call, increases the proportion of clean energy use, and continuously explores the most suitable clean energy use mode for Longfor. In the project design stage, we determine the area where photovoltaic panels can be installed by investigating the surrounding environment and designing an operation plan to maximize the use of solar energy. During the construction stage, we analyze the materials and characteristics of the photovoltaic panels to select the most energy-efficient ones. During the operation and maintenance stage, we regularly clean and maintain the photovoltaic power station to ensure the regular operation of the panels. As of December 31, 2022, Longfor has installed photovoltaic panels in Suzhou Shishan Paradise Walk, Changsha Yanghu Paradise Walk, Nanchang Paradise Walk, Hangzhou Jinsha Paradise Walk, and Changsha Furong Paradise Walk, with an annual power generation capacity of 500,000 kWh.

An annual power generation capacity of

500,000 kWh

Energy-saving Measures taken by Longfor during Operations

Intelligent Control

- Apply intelligent lighting systems in garages, parks, community landscapes, and other scenes to automatically adjust the lighting duration and brightness and reduce energy consumption
- Install ambient intelligent controllers in the server room to monitor the room temperature and automatically regulate the fan and air conditioner switches to reduce energy consumption due to long running time
- Apply ambient temperature controller to monitor the electric tracer temperature and control the switch to reduce the unnecessary heating time of the electric tracer
- Apply a temporary control system for the leaking pipe network to reduce the loss of leaking water from the green pipe network

Green Technology Application

- Apply heat recovery technology to recover heat from the cooling water system of refrigeration units to preheat the indoor hot water make-up system and reduce gas consumption
- Use the recovered water for greening and irrigation through rainwater and wastewater recycling technology to reduce the consumption of natural water sources
- Adopt micro-sprinkler belt watering technology to save water

Equipment Replacement

- Replace the original equipment with induction LED lamps or double-brightness LED lights according to the scenario needed to reduce lighting energy consumption
- Adopt non-negative pressure water supply equipment to reduce the design power of the pump motor and thus the operating energy consumption

Consumption Management

- Shorten the lighting hours of lamps and floodlights in the lobby, light hall, normally closed garage, and other areas
- Add travel limit switches to equipment rooms with more lighting fixtures to avoid constant lighting and waste of power
- Inspect lighting equipment operation regularly
- Shut down some transformers in communities with low occupancy rates to reduce transformer power losses
- Manage the use of air conditioning in the elevator; only if the outdoor temperature is greater than 30 ℃ and the air conditioning be turned on with a temperature set at not less than 26 ℃ , while the rest of the time apply ventilation cooling to reduce the energy consumption of air conditioning operation
- Implement a frequency reduction process according to cooling water temperature to save energy

Energy Usage of the Group in 2022[36]

Type of Energy	Administration Offices	Business Operations					
		Projects under Construction	Property Management	Commercial Operation	Rental Housing	Urbanization Projects	Elderly Care
Purchased electricity (kWh)	6,185,193.86	55,143,508.72	389,490,998.59	314,636,461.92	36,860,585.79	9,394,892.44	2,759,978.21
Gasoline (liters)	14,469.71	/	17,493.35	/	/	/	/
Diesel (liters)	290.00	/	216,776.11	8,134.86	/	/	/
Natural gas (cubic meters)	35,636.00	/	536,432.80	7,092,381.50	73,827.24	1,455,263.31	278,491.99
Purchased heat (GJ)	5.21	/	36,373.92	104,621.37	35,696.90	/	/
Comprehensive energy consumption (tce) [37]		117,944.09		Comprehensive energy consumption density (tce / revenue of RMB10,000)		0.0047	

Water Resource Management

Longfor strictly follows the relevant requirements such as the *Reuse of Urban Recycling Water – Water Quality Standard for Urban Miscellaneous Use* (GB/T18920) and the *Reuse of Urban Recycling Water – Water Quality Standard for Scenic Environment Use* (GB/T18921). We carry out full-process management of water resource utilization and recycling, continuously strengthening water resource management and ensuring effective water resource utilization.

We take multiple measures to improve the efficiency of water resource utilization continuously:

Technology and Equipment

- Apply the temporary control system for leaking pipe networks to reduce the loss of water from leaking green pipe networks;
- Adopt micro-sprinkler belt watering technology to save water;
- Install water-saving devices, such as induction taps and variable frequency pumps, to automatically control the water supply;
- Install float replenishment valves, which automatically shut off the replenishment water through float pressure to avoid wasting water resources;
- Design for water conservation and recycling by applying the "sponge city" concept.

Management

- Monitor the water usage in office areas and operational projects strictly, control total annual water usage in all commercial properties and break them down into individual business processes;
- Inspect and maintain water facilities and pipe networks regularly to reduce waste such as running, oozing, dripping, and leaking;
- Put up "Water Conservation" posters to remind people to turn off the taps and save water promptly.

Water Recycling

- Apply rainwater and wastewater recycling technologies to use the recovered water resources for greening and irrigation and reduce the consumption of natural water sources;
- Promote rainwater storage ponds and use rainwater for indoor toilet flushing, road washing, and greening watering.

[36] The comprehensive energy consumption is calculated according to the conversions of various energy into standard coal following *GBT2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption*.

[37] In the reporting period, we adjusted the environmental data collection method. According to the calculation method based on the definition of operational control (referring to *The Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard* by World Resources Institute (WRI)), in the chapter "Green Operation" in this report, the environmental data covers the above-mentioned listed entities. Under operational control, the data related to energy, water, and waste of the Group does not include data of the general contractor. All statistical ranges are based on projects developed and partially operated by Longfor Group.

Longfor Property's Application of Micro-sprinkler Irrigation Technology

Longfor focuses on maintaining green areas such as gardens and lawns, continuously researching the most reasonable sprinkler irrigation methods to improve watering quality and reduce water consumption. Longfor Property uses micro-sprinkler irrigation technology in lawn areas, evenly spraying water onto the lawn through refractive, rotating, or radiating micro-sprinkler heads. Compared to manual watering, micro-sprinkler irrigation can save 2.79 tons of water per hour, improving water resource utilization efficiency while saving labor.

Longfor Property's Application of Micro-sprinkler Irrigation Technology

Chongqing Lanhu County Villa Water Leakage Network Renovation Project

In the Lanhu County Villa area of Chongqing, Longfor Group implemented water-saving renovation for three green water supply networks. We installed remote controllers to remotely control the water supply switches. At the same time, the system has a timing shutdown function to solve the problem of forgetting to close the valve after using water. Through this renovation, we can save 22,000 tons of water resources annually without affecting the irrigation of greenery.

Water Resource Consumption of the Group in 2022

	Administration Offices	Business Operations					
		Projects under Construction	Property Management	Commercial Operation	Rental Housing	Urbanization Projects	Elderly Care
Water consumption (m^3)	104,311.74	1,723,512.60	16,591,058.92	4,055,866.65	79,206.00	192,596.61	59,733.78
Total Water Consumption (m^3)	22,806,286.30						
Water Consumption Density (m^3 / revenue of RMB10,000)	0.91						

Waste Management

Longfor follows regulations such as the *Prevention and Control of Environmental Pollution by Solid Waste* and the *National Hazardous Waste List* to strictly manage the discharge and treatment of waste. During the Reporting Period. Longfor Group's "three wastes" (wastewater, waste gas, solid waste) all meet national treatment standards.

Waste Water

Living Sewage

Channel into the municipal sewage network for the centralized treatment of urban sewage;

Waste Gas

Grease Exhaust from Catering

Implement automated monitoring of emissions, and equip a two-stage fume purifier to effectively reduce emissions in line with the relevant regulations of waste gas emissions;

Solid Waste

Office and Project Consumables

Set up a special place for hazardous waste such as printer cartridges and used lamps, and establish a unique recycling process; For electronic waste, computer parts, used batteries, and other electronic wastes are classified and collected for professional treatment according to the Administrative Measures for the *Prevention and Control Environmental Pollution by Electronic Waste*.

Longfor actively responds to the national call to refine garbage treatment in its operating communities. We have established a well-defined garbage classification management team responsible for the garbage classification work of each project. We dispatch special personnel to sort garbage at the trash cans according to the specific situation of each community. For communities without personnel stationed at the trash cans, we will arrange special personnel for garbage transfer and sorting. The Group conducts regular sampling and scoring of garbage classification.

District Leader (Team Leader)	Organize monthly meetings on waste classification and make meeting summaries; Promote synergy across departments.
Environmental Manager (Deputy Team Leader)	Lead the Environment Department in coordinating specific work on waste classification and liaise with other departments and units; Inspect garbage spots every two hours.
Customer Service Manager Order Manager Construction Manager	Actively cooperate with the Environment Department to classify waste in the park; Cooperate with law enforcement agencies' inspection and provide guidance.

Longfor Garbage Classification Team Structure and Responsibilities

In community management, we take multiple actions to enhance public awareness of green environmental protection and cultivate the behavior norms of "reduction, recycling, self-awareness, and self-governance."

- Promote online and offline public education, such as in property office areas, garbage spots, WeChat groups, public display areas, etc.
- Guide customers to accurately put out the garbage, warmly remind them of their substandard behavior, and supervise their rectification
- Publicize garbage sorting activities by going to households or online
- Communicate with customers who do not put out garbage regularly and separately
- Sort out mixed waste properly
- Visit the customers to understand the difficulties of sorting and optimize the sorting plan

Longfor's Measures to guide Customers in Garbage Classification

Garbage Classification Bucket Covers and Stickers with Labels

In medical and elderly care projects, we have adopted more detailed and tailored waste management measures:

- In response to the government's call, we strictly implement garbage classification in elderly care projects, clearly classifying dry garbage, wet garbage, recyclable garbage, hazardous garbage, medical garbage, etc.;
- We carry out special sorting for recyclable garbage such as paper, achieving resource recycling and reuse;
- Cancel disposable tableware to reduce waste.

Green Office

Longfor has formulated management regulations such as the *Residential and Sales Staff Housing Standard Management System of Property Service Group*, the *Material Management Method of Longfor Space Service Group Project 2022 Edition*, the *Longfor Group Asset Management Method*, and other regulations to regulate energy and resource consumption, use different methods to improve the use efficiency of energy and resource, encourage all employees to establish awareness of resource conservation and environmental protection, and make the concept of energy conservation and emission reduction deeply root in their hearts.

Energy Consumption

Lighting

Retrofit energy-saving circuits for public area lighting

Replace and apply high-efficiency energy-saving lamps

Adopt intelligent systems to automatically identify unoccupied scenes and turn off lights

Arrange personnel to regularly inspect unoccupied areas for lighting and turn off lights

Air conditioning

Classify and manage air conditioners according to their use for personal or public use. Management personnel should turn on the air conditioning as needed to minimize excessive cooling

Reduce the operating time of air conditioners based on the outdoor temperature and strive to achieve "late start and early stop"

Elevator

Escalators use frequency conversion mode, and after 60 seconds of no one riding, they will reduce frequency and speed to 20% operation

Daily Management

Remind employees to use computers, printers, and other electrical equipment reasonably

Water Resources

Water-saving equipment

Install water-saving devices on bathroom sink faucets

Recycling

Take active measures to promote the secondary use and recycling of water resources

Daily Management

Engineering personnel check, collate and assess the total water consumption monthly

Carry out daily inspection, maintenance, and management of water equipment, promptly deal with running, leaking, dripping, and other phenomena to reduce water waste

Post warm reminders for water conservation in locations such as bathrooms, showers, and tea rooms to help employees develop the habit of saving water and turning off taps when not in use

Resources

Paper

Accelerate paperless office, promote online office methods such as electronic documents and emails, edit documents on electronic media, and use electronic signatures

Double-sided use of paper materials except for confidential information and customer information

Management

Designate a particular person to manage daily office supplies and strictly control the procurement and use of consumables

Regularly maintain office equipment to extend service life and improve resource utilization efficiency

Strengthen the management of various instruments and equipment, optimize configuration, and improve utilization and efficiency

Advocate for the use of old items. Old items should be used first for dismantling/stocking materials for regional projects. When inventory is insufficient, priority should be given to inter-business transfers

Furniture, appliances, computers, and other materials must reach the designated service life and be implemented through a single commission process when they are damaged and cannot be repaired simultaneously

Evaluate the materials and uniformly collect usable old materials

Waste type		Administrative Office
Non-hazardous waste	Office paper（kg）	477,413.48
	Household waste（ton）	1,765,047.89
	Earthwork/muck/Decoration/building/demolition garbage (ton)	6,314,475.50
	Toner and Drum Cartridge (kg)	6,928.09
	Others（ton）[38]	221,409.39
	Total discharge of non-hazardous waste (ton)	8,301,417.12
	Discharge density of non-hazardous waste (ton/RMB10, 000) of revenue	0.33
Hazardous waste	Waste lamps/bulbs (kg)	184,955.86
	Others（ton）[39]	2,229.86
	Total amount of hazardous waste discharge (ton)	2,414.82
	Discharge density of hazardous waste (ton/RMB 10, 000) of revenue	0.000096

2022 Group's Major Solid Waste Emissions

Green Leasing

Longfor advocates and practices green development with tenants and jointly builds a green home. We actively explore green leasing models, sign green leasing contracts with tenants, incorporate environmental protection, including energy conservation, water conservation, waste discharge and recycling into our daily management, and actively carry out green publicity and education to enhance the awareness of sustainable development.

- Clearly distinguish between recyclable and non-recyclable waste;
- Correctly classify and clean kitchen waste for recycling;based on the *Regulations on the Management of Domestic Garbage*
- Post "energy-saving tips" in public areas to enhance tenants' awareness of energy conservation;
- Use environmentally friendly and energy-saving lighting fixtures, allocate power switches by zone, and promote energy-saving concepts;
- Actively participate in activities related to greening and improving the ecological environment.
- During the Reporting Period, we have signed over 15,000 green leasing contracts, accounting for approximately 96% of Longfor's commercial tenants.

[38] Includes office furniture, gardening waste, metal, glass, and batteries.
[39] Includes used computers, grease trap waste, plastic, and waste oil.

Ecological Governance

Longfor Group strictly complies with laws and regulations such as the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Outline of the Natural Protection of the People's Republic of China*, and the *Regulations on Environmental Protection Management of Construction Projects*. We have formulated the *Biodiversity Framework*[40] to promote harmonious development between humans and nature. In the construction process, we integrate the concept of protecting the ecological environment into planning and design, actively carry out environmental impact assessments, ecological governance, and biodiversity protection work, continuously improve public environmental awareness, and help build green cities. In 2022, Longfor had no general or major environmental incidents.

Commitments

- We only develop and construct in areas outside World Heritage Sites and International Union for Conservation of Nature (IUCN) categories I-IV protected areas. Before the project starts, we will conduct risk assessments and investigations, including biodiversity factors, before obtaining project land to avoid development occupying farmland and green space. In the subsequent development process, we are committed to minimizing the impact on green space and surrounding ecosystems, actively improving, optimizing, and correcting environmental issues related to the project land.
- In brownfield areas such as abandoned industrial sites with soil pollution problems, we actively communicate and cooperate with government departments, establish a risk assessment system for polluted sites according to regulations, implement soil remediation plans, and develop brownfield projects compliant after third-party verification.

Sponge cities, as a new model of green development for cities, have received support and promotion from the public and government. Longfor Group continues to delve into sponge city research, actively integrating sponge city concepts into projects, starting from ecosystem services, constructing water ecological infrastructure across scales, and combining various specific technologies to enhance the city's ability to absorb, store, infiltrate, and purify water, making the city more environmentally friendly, safe, and livable.

Chongqing Yunyao Yubi Sponge City Project

In the design of Phase II, Group 2 of the Chongqing Yunyao Yubi project, we set a construction goal of a total control rate of annual runoff of 75.07% and a reduced rate of yearly runoff pollutants of 51.44% based on relevant national regulations and standards, combined with site elevation conditions and construction needs. Furthermore, based on the land use runoff characteristics and the natural terrain of the hilly slopes where the project is located, we have adopted low-impact development facilities such as permeable pavement, green roofs, and rain gardens from the perspectives of functionality, economy, practicality, and landscape effects, and set up porous slow drainage pipes to achieve rainwater infiltration, storage, and regulation, and improve water use efficiency.

Rain Garden

[40] https://www.longfor.com/upload/file/2022-05-27/c93ae2c7-1ee5-4203-913e-b41851fc47c9.pdf

Chongqing Jinglin Jiuxu Sponge City Project

In the design of the first phase of Chongqing Jinglin Jiuxu, we adopted low-impact technology facilities such as bio-retention zones, green roofs, and permeable pavement to enhance the project's water storage capacity, achieving a total annual runoff control rate of 74.30% and a pollutant removal rate of 50.91%[41].

In selecting plants to construct rain gardens, we prioritize using native plants to effectively resist biological invasion. In addition, we consider the ability of vegetation to retain water, fight pollution, and withstand droughts and floods to improve water use efficiency while protecting biodiversity.

Rain Garden

Longfor Fuxian Lake Starry Town Baxin Gully Water Ecological Management Project

To protect the ecological environment of Fuxian Lake in Yunnan, Longfor has customized a unique environmental management plan for the on-site situation of the Baxin Gully water ecology in Fuxian Lake Starry Town to improve the local ecological environment and enhance biodiversity.

To create a good water environment for the artificial lake, we invited ecological and hydrological experts to conduct research based on the actual situation, using the entire food chain ecological construction technology to gradually carry out the following work: improving water quality purification and improving the ecological environment:

- Carried out substrate improvement projects, cleaned up large rocks, soil, and tree roots at the bottom of the lake, and used microorganisms to decompose excessive organic matter in the water to improve water quality.
- Carried out plant cultivation projects and used submerged plants to effectively prevent eutrophication of water bodies.
- Introduced aquatic plants, microorganisms, and animals to construct a complete aquatic ecosystem, enhance the self-purification ability of the aquatic system, and improve biodiversity.

Through this ecological system construction, the water quality of Fuxian Lake Starry Town has been significantly improved. The main water quality indicators (total phosphorus, ammonia nitrogen, COD) have reached the Class III water quality of surface water environment GB3838-2002, with transparency of more than 1 meter and a survival rate of submerged plants reaching 95%.

Comparison before and after the Treatment of Fuxian Lake

[41] Calculated by reviewing 11 years of rainfall from 2003 to 2013.

While emphasizing ecological governance in the project location, we organize various environmental awareness campaigns and ecological education activities to enhance public awareness of environmental protection.

Installing ecological system signs, plant name signs, and ground paving signs in the community.

Urban Revitalization

Against the backdrop of continuous implementation of policy innovation projects such as stock resource transformation and idle house activation, Longfor has intervened as an urban operator, demolishing and rebuilding, revitalizing stock resources, and renewing the region according to the characteristics of abandoned buildings and industrial bases that have negative impacts on the environment. Furthermore, by upgrading and transforming supporting facilities, revitalizing land value, and enriching and improving urban functions, urban revitalization is being orderly promoted to meet the public's and society's needs.

Hangzhou Binjiang Blue Engine Reborn with Industrial Vitality

Hangzhou Binjiang Blue· Engine is one of Longfor's many industrial parks, with many small and medium-sized enterprises and merchants. However, before 2012, the appearance and hardware of the area were old. They lacked supporting facilities, making them unable to meet the growing industrial office needs of science and technology enterprises in the new economic situation.

Longfor Group has made comprehensive adjustments in building facades, park space forms, public service spaces, supporting facilities, and crowd interactions, with technological innovation as the core. It has also built a triple service ecosystem of industrial ecology, business ecology, and living ecology and established various platforms, including a Longfor production capacity platform, intelligent operation platform, public service platform, financing service platform, industrial incubation platform, and external promotion platform, to create an integrated industrial ecosystem of "value chain - relationship network - new opportunities" for enterprises and promote industrial vitality.

Based on the functional requirements of "openness, display, and interaction," we have upgraded and transformed the details.

Transforming space forms

Due to the complete enclosure of the building, the lower floors were often shadowed. Longfor left blank spaces between buildings, expanded pedestrian walkways, and planted flowers and grass on both sides. At the same time, wooden plank walkways are built between buildings to interact with the central courtyard, and green plants are used to increase the green coverage

Upgrading public supporting facilities

Added places such as canteens, cafes, and basketball courts to provide living and leisure areas for park employees and relieve stress; increased shared spaces with multiple functions, such as roadshows, exhibitions, business activities, and park activities, to provide diversified office services.

Building communication platform

Established the Swedish AI Hub China Innovation and Entrepreneurship Base, organized communication and exchanges between park enterprises and industry leaders, and deployed various resource activities such as project roadshows, private board meetings, policy releases, and dialogue salons according to the needs of enterprises, to achieve the connection and transformation of products and services.

Pedestrian Walkway and Greenery

Basketball Court

Longfor Goyoo Asian Games Village Guanzhuang Store transformed existing space into a high-quality rental community

The location of the Guanzhuang store in the Asian Games Village was originally an old office building courtyard. Longfor Group, with the concept of "Warmer with Warmth," organically combines apartments, co-working spaces, and courtyard public spaces and flexibly uses various methods to revitalize idle assets by analyzing the age structure and living needs of the surrounding population, transforming the abandoned park into a vibrant youth community, solving the housing problem for young people, and providing more possibilities for achieving "work-life balance."

In addition, Longfor Goyoo collaborates with professional designers to address the issues of equipment aging and functional deficiencies in old buildings. It also transforms former office buildings and dormitories into rental housing, adjusts canteens and bathrooms into co-working areas, and provides coffee shops, squares, and minor sports facilities to meet the leisure needs of residents. In 2022, Longfor Goyoo's Asian Games Village Guanzhuang store became the only "five-star" certified long-term rental apartment in Beijing in the "Comprehensive Performance Evaluation of Rental housing" released by the China Real Estate Association.

Longfor Goyoo Asian Games Village Guanzhuang Store

Longfor established a new commercial street in the ancient city, reviving urban vitality

The San Gong Temple in Nanchang, Jiangxi Province, was built in the 12th year of the Ming Dynasty and has a history of nearly 500 years. It is a local treasure trove of art and a symbol of Nanchang's long history and culture. Located in the beautiful scenery of the Qingshan Lake District, San Gong Temple was a popular destination for locals to visit and pray for blessings. To revive the vitality of San Gong Temple, Longfor Group has created Longfor Qingshan Lake Paradise Walk, a commercial complex covering over 120,000 square meters, while protecting historical relics and working in conjunction with Platinum Island and Paradise Walk commercial complex.

We have carried out a series of protective reconstruction work on cultural relics buildings without changing the original location, layout, and structural features. Combining the characteristics of San Gong Temple's architecture with local ancestral temples and residences, we have used blue bricks and black tiles as elements and added a gate tower on the upper part of the main entrance to reproduce the original appearance of San Gong Temple's architecture while enhancing its aesthetic effect and integrating it with the surrounding buildings. In addition, to continue the historical characteristics of San Gong Temple, we regularly hold art exhibitions, cultural and creative exhibitions, technology exhibitions, 5D immersive exhibitions, and other activities while creating a modern commercial district to revive the ancient building's past glory and awaken the city's vitality.

Comparison of San Gong Temple before and after renovation

Longfor helps transform the industrial heritage site of the Lathe Plant in Hefei, promoting historical and cultural inheritance

The Lathe Plant in Hefei was designed and built by Soviet experts in the 1950s and 1960s. It symbolizes and epitomizes Hefei's industrial culture and has crucial historical protection value. Following the requirements of the local government and respecting the industrial heritage, we used artistic methods to give it a new life.

We follow the *Historical Building Protection Law* and strive to inject new vitality into the old city with limited intervention and activation. Longfor Group uses a combination of six repair methods and red brick materials to maximize the characteristics of the factory during the production period. Inside the building, we fully respect the original spatial features of the industrial heritage, preserve and restore the valuable arched dome, and create a rich indoor space with a new metal roof and skylight system. In addition to safeguarding industrial memory, we fully consider the regional characteristics and integration with the surrounding environment. We have transformed the Cheqiao Factory site into a block garden model, creating a leisure place that promotes regional cultural quality, diversity, and inclusiveness.

Longfor has taken multiple measures to steadily promote soil remediation, improve air quality, and reduce water pollution to address issues surrounding old industrial bases and environmental impacts. After the transformation, the ecological environment has significantly improved. Through this industrial heritage transformation, we have given an old industrial base new functions and spiritual outlooks through selective heritage inheritance, modern architectural techniques, and active intervention.

Comparison of the transformation of the old industrial base of the Hefei Lathe Plant before and after

06 The Best Care

and Creating a Future with Employees

Longfor Group views employees as the Company's sustainable development engine. Based on the employment value proposition of "Intelligent Longfor, Infinite Future", we continued to improve the recruitment and employment system, protect employees' rights and interests, cultivate a team of high-potential employees, and grow together with employees. Simultaneously, we care for our employees' physical and mental health, actively improve occupational safety management, enrich the remuneration and welfare system, and strive to provide an equal, inclusive, and co-creative development platform.

ESG material topics responded in this chapter:

- Employee Rights Protection
- Occupational Safety and Health
- Employee Career Development

SDGs topics responded in this chapter:

Fair Employment

Longfor Group adheres strictly to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and all other applicable laws and regulations. In addition, we have formulated and improved internal rules and regulations such as the *Longfor Group Talent Recommendation Management Measures*, *Longfor Group Recruitment Channel Management Guidelines*, and *Recruitment Manual* to refine further and standardize the personnel recruitment process.

We always support the standards and requirements of respecting and protecting human rights advocated by the United Nations *Universal Declaration of Human Rights* and the *UN Global Compact* to ensure that our employees' fundamental human rights are respected and to prevent human rights violations. Accordingly, we have established the *Longfor Group Human Rights Policy*[42], which prohibits the employment of child labor and forced labor and firmly opposes any discrimination in terms of gender, ethnicity, region, religion, sexual orientation, etc. In 2022, Longfor Group committed no child labor, forced labor, or discrimination violations.

In 2022, Longfor Group was committed to fairness and equal treatment, and took into account the gender, culture, experience and other professional background of employees. We provided equal employment opportunities for employees of different nationalities and regions. We implemented equal pay for equal work between men and women to create a diverse talent pool and continuously enhance the inclusiveness of the workplace and the sustainability of the Company's development. In addition, we encourage employees to report disparities to the human resources division. After receiving a report, the internal audit department will investigate the report's contents independently. The management is responsible for follow-up and handling to ensure that employees' legitimate rights and interests are fully protected.

As of December 31, 2022, the Longfor Group had a total employee of 31,565.

Number of Employees by Gender (person)

Male Employee	18,142
Female Employee	13,423

Number of Employees by Ethnicity (person)

Number of Employees from Ethnic Minority	1,361

Number of Employees by Educational Background (person)

Junior College and Below	15,068
Undergraduate	13,149
Master	3,307
Doctor	41

[42] https://www.longfor.com/upload/file/2022-05-13/ed33971d-f3b1-4c4d-ada2-79c3bb0e302c.pdf

In 2022, Longfor Group was awarded:

51Job "Employer Most Favored by China College Students in 2022"

Liepin "Annual Extraordinary Employer"

"2022 China's Best Employer" by Zhaopin.com

The remuneration ratio of male and female employees at the same rank as of the end of 2022

1:1

Number of Employees by Position (person)

Senior Management	79
Middle Management	941
Front-line Management	3,165
General Employees	27,380

Number of Employees by Age (person)

Under 30 Years Old	12,172
30 (included) to 50 (excluded) Years Old	17,976
50 Years Old and Above	1,417

Number of Employees by Region (person)

Mainland	31,559
Hong Kong, Macau, Taiwan and Overseas	6

Number of Employees by Employment Type (person)

Non-full-time Employees	0
Full-time Employees	31,565

In 2022, the turnover rate of Longfor Group is as follows:

Divided by Business Line (%)

Preperty Segment	23.91%
Non-preperty Development	29.79%

Talent Development

Longfor Group is dedicated to developing future-focused talent at all levels and business segments. To actively expand the talent development space within the organization, we devise distinct promotion paths and training routes for employees at various levels and scenarios. We also implement talent incentive-related initiatives to provide a hospitable environment for talent to flourish.

Employee Promotion

According to the *Administrative Measures for Employee Seniority and Job Levels* and the *Rules of Longfor Group Flowing Water Program 2021 Edition*, Longfor Group continues to refine promotion standards and paths. We combine the employee evaluation system and employee assessment decisions to promote the standardization and transparency of employee promotion channels and create a healthy competitive environment for all employees. In addition, the "Cloud Assessment" employee evaluation product was developed and implemented in 2021, providing enterprises with a diversified and three-dimensional talent portrait of employees and a comprehensive and objective basis for employee evaluation.

Longfor Group's Employee Assessment Tools

Comprehensive Evaluation	We conduct regular employee evaluations using tools such as talent inventories and one-on-one conversations with managers.
External Assessment Tools	Annually, we acquire assessment tools from external professional assessment organizations to cultivate and develop our core personnel. Five years in a row, Longfor has received tens of thousands of assessment results annually from internationally renowned assessment companies for campus recruitment and identification of employees with high potential.
Leadership Assessment Product	By using standardized leadership assessment products and self-developed 360-degree feedback tools, regular leadership assessments are conducted for managers, especially new and reserve personnel, to drive individual and overall leadership improvement.

We combine the employee's assessment system and performance results with each career level's experience and skill requirements to make a comprehensive assessment decision regarding the employee's performance. Meanwhile, we have developed online promotion defense products to facilitate the digital upgrade of employee promotion in all aspects.

We focus on the diversified development of our employees. We have devised the "Talent Flowing Water Mechanism" to actively encourage employees to engage in the "Three Crosses" scheme of cross-regional, cross- business arm, and cross--functionality. Employees can apply for positions online via the "Talent Flowing Water Marketplace" system and transfer to corresponding departments after successful interview. The Company fully guarantees salary, benefits, and bonuses for "Talent Flowing Water Program" participants throughout the year and recognizes those who have contributed to talent export with targeted awards. We encourage campus recruits (trainees), top performers, and high-potential employees to participate in the "Three Crosses" early in their careers to broaden their horizons and discover more possibilities for career development. The Company also launched a "Special Talent Flowing Water Program" for high-potential trainees who volunteered to "Talent Flowing Water Program"in 2022. During the Talent Flowing Water period, the program increases the "job matching rate" through a comprehensive ability assessment, in-depth job information exchange, a personal development plan and other mechanisms. In 2022, we successfully achieved "Three Crosses Talent Flowing Water Program" for 6,620 participants, an increase of 131% compared to the previous year.

In 2022, we successfully achieved "Three Crosses Talent Flowing Water Pro-gram" for

6,620 participants

compared to the previous year an increase of

131%

Encourage employees to cross region, channel, and function → Apply positions on the "Flowing Water Marketplace" → Transfer to relevant position after successful interview → Offer special boons to successful "Flowing Water" participants

"Talent Flowing Water Program" Procedures

Employee Training

Longfor Group has established a systematic and diversified employee training mechanism and developed customized training plans for employees of various levels and scenarios. We regard talent training and ladder building side by side and offer each employee career training resources for the whole life cycle.

In 2022, the employee training of Longfor Group achieved remarkable results, with 35,233 individuals trained, 1,266,465 hours of online training, and 364,770 hours of offline training.

individuals trained
35,233

hours of online training
1,266,465

hours of offline training
364,770

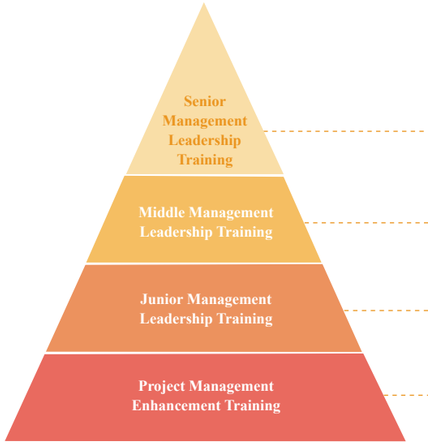
Training Type	By Category		Percentage of Trained Employees
Online Training	By Gender	Male Employee	56.65%
		Female Employee	43.35%
	By Job Level	Senior Management	0.23%
		Middle Management	2.69%
		General Employee	97.08%
Offline Training	By Gender	Male Employee	56.8%
		Female Employee	43.2%
	By Job Level	Senior Management	0.3%
		Middle Management	3.39%
		General Employee	96.31%

Longfor Group Employee Training Ratio in 2022

Training Type	By Category		Hours of Training Per Employee (Hours)
Online Training	By Gender	Male Employee	31.4
		Female Employee	41.8
	By Job Level	Senior Management	6.8
		Middle Management	20
		General Employee	36.5
Offline Training	By Gender	Male Employee	10.1
		Female Employee	10.7
	By Job Level	Senior Management	31.1
		Middle Management	25
		General Employee	9.9

Longfor Group Employee Training Hours in 2022

Longfor Group has established a leadership training system that covers the entire talent life cycle, providing continuous empowerment for managers at all levels.



We focus on the macroeconomic situation to improve senior management's leadership and business capabilities in adversity. All executives of the Group participated in several training sessions with external lecturers and internal seminars, covering a total of 285 people.

In 2022, 1,233 individuals participated in leadership training hosted by senior managers. In addition, the leadership internal training courses *Leadership Prevails* offered by Longfor included 14 offline courses for 469 middle managers.

We encourage business managers to obtain certification and offer training. In 2022, our training covered 857 junior managers.

We customize project management courses designed explicitly for operational organizations,13 training sessions were conducted in 2022, covering 464 managers.

Longfor Group has been constructing a campus recruitment brand for several years, enhancing the training system for fresh graduates and cultivating many exceptional talents via brands such as "Management Trainee Program" "Blossom""Dianjiang". We also conduct induction and professional training for new employees, aiming to promote the rapid growth of our employees. In 2022, we designed 126 customized learning maps and developed 7,804 online courses based on the requirements of various positions, including 1,915 new courses and 1,492 live streaming sessions, to enhance the professional capability of employees in all aspects and dimensions.

Campus Recruitment Training

•"Longfor Management Trainee Program"

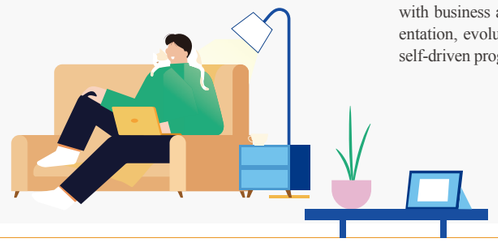
As the flagship program of Longfor Group's campus recruitment, the"Longfor Management Trainee Program"has evolved over the years into a standardized training system that actively empowers the training of middle and senior managers in the future. In 2022, Longfor provided opening camp training for 494 "Future Officers" and functional professional training and mindset enhancement training for 839 "Future Officers" in the previous two terms.

•"Blossom"

"Blossom" is a recruitment project for fresh graduates created by Longfor Group to cultivate versatile sales and operation talents with cross-industry and cross-business competitiveness. We forge the "Blossom" brand, clear the training path, and smooth the training system to cultivate a large number of cross-channel versatile sales talents for Longfor Group.

•"Dianjiang"

The "Dianjiang" plan, which covers Longfor Intelligent Living, Gannet Rental, and Longfor Intelligent Refined Engineering, started in 2003. It is a campus recruitment plan aimed at selecting and cultivating high-quality operational, engineering, and marketing talents for the future. The goal is to recruit versatile management elites with business acumen, customer orientation, evolutionary potential, and self-driven progress.



"Longfor Management Trainee Program" Open Camp Training

New Employees Orientation Training — New Longfor Cultivation Program

We provided new employees with the New Longfor Cultivation Program, covering orientation guidance, online courses, offline integration activities, freshman survey, and other content to facilitate their engagement. In 2022, the training covered 3,667 new employees in total. At the same time, we have upgraded the Orientation Guide Program with 2,301 Orientation Guides cultivated and certified this year.

Professional Training

Longfor Group actively offers professional training customized to each business segment and specification, as shown in the following

Longfor Group Professional Training of Each Business Segment in 2022

Property Development

- We conducted 12 middle-level management leadership courses and 11 front-line leadership courses, assisting 761 new managers (new middle-level and new managers) to quickly complete their role transition, improve managers' goal consensus, and stimulate team spirits.
- We focus on training key positions and reserve personnel in each business segment, with 748 new appointments and reserve trainees in key annual positions such as engineering manager and marketing manager.

C1 Property business segment Training

Commercial Investment

- We conducted 14 front-line leadership training camps to facilitate the fast role transition of 173 newly appointed front-line managers.
- We conducted 9 business opening hard-core staff training camps to clarify opening goals and learn excellent experiences.
- We conducted 14 "Longfor Management Trainee Program" training sessions to help 2022 new "Future Officers" quickly orient to their roles and jobs.
- Customized Talent Cultivation Programs for Each Region: We conducted East China Enjoy Learning Classroom, Intelligent Courses, North China Empowerment Research Hub 3.0, Little White Dragon Plan, Central China Lecture Theater, and other customized cultivation programs to stimulate talent vitality.

C2 Commercial business segment Training

Rental Housing

- We conducted 5 sessions of thematic empowerment training on "Project Management 2.0" for 172 managers and hard-core employees to increase project management awareness, enhance the ability to integrate resources, plan to promote work ability, and promote cross-functional cooperation and communication.
- We have improved the training system for new employees, developed an online learning map, trained over 230 new employees, and enrolled all new employees in the offline "Operations Officer Culture Experience Camp."

C3 Goyoo business segment Training

Property Management

- For new executives/middle-level managers, we provide matching mentors for one-on-one mentoring/bi-monthly work review and communication to accelerate talent growth and shorten orientation period.
- To enhance the professional skills of front-line employees, we implemented flexible empowerment. There were 28 live broadcasts and 82 courses conducted, reaching 12,400 people, with an overall satisfaction rate of 4.9.
- We conducted quarterly smart reflection meetings, where managers reflect on themselves and set each other examples. We also hosted 93 cultural experience camps, reaching 3,179 people, with an average satisfaction rate of 4.87.

C4 Property management segment Training

Digital Intelligent Engine

- Technical Training Program: We conducted 101 Boot Camp (junior stage) and Architect Boot Camp (middle-high stage) to develop a training system based on a competency model, with training, exercises, exams, and coaching constituting a closed loop along the entire chain. There were 36 lectures given by technical experts, covering more than 200 individuals, with over 1,620 person-times.
- Hackathon Training Program: There were 47 teams and 218 participants, with seven winning entries covering the full range of business scenarios and 100% patent applications.
- Coding Competition Training Program: 5 training sessions were conducted throughout the year, covering 275 people and creating a technical atmosphere.

Coding Competition

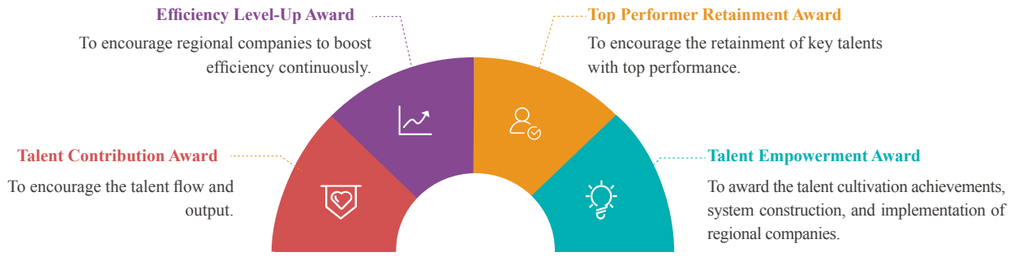
Hackathon Competition

We encourage our employees to pursue further education and obtain the appropriate professional certifications. In 2022, the Company supported over 30 certificates, including Senior Property Manager, Class I Registered Fire Engineer, and Intelligent Building Manager, among others.

Employee Incentives

In 2022, Longfor Group continued to optimize the talent incentive policy and related initiatives. We have established the strong general rate (the proportion of high-level, high-potential personnel) and talent ladder construction as key assessment indicators and linked them to the performance bonuses of senior management in each department to stimulate employee enthusiasm and enhance the quality of work as a whole.

To strengthen the consistency of personnel and organizational management between the Group and regional companies and to incentivize the regional companies to continuously improve their talent flow and output, organizational effectiveness, team stability, recruitment effectiveness, and talent training and empowerment, we have developed a single award incentive system with a bonus amount attached. Awards include, but are not limited to, the following:



Employee Benefits

Compensation and Benefits

Longfor Group continues to improve the corporate compensation and welfare system. We have constructed free communication channels for employees and pay close attention to the living conditions and physical and mental health to bolster employees' sense of belonging.

Longfor Group is dedicated to providing employees with competitive remuneration packages. We fully integrate employees' needs and value orientation when formulating and implementing diversified remuneration and benefit systems to maximize the incentive effect of the remuneration system on employees and enhance employees' sense of belonging and satisfaction.

Annual Physical Examination	• We provide a one-stop service for long-term health management for employees and their families. A professional doctor will interpret the health report after the examination and provide professional health management and disease prevention advice.
Commercial Insurance	• In 2022, we continued to optimize and upgrade our commercial insurance program to maintain the variety of options for employees and increase the number of self-service claims for commercial insurance. In addition, we conducted a comprehensive review of our current commercial insurance program. We introduced a new customized health management system based on the original, enriched employee health management activities, forming a dual protection of "insurance plus health" to meet employees' fundamental needs while considering their preferences. • We introduced the Longfor exclusive online general practitioner to develop the Longfor exclusive health consultation service platform to facilitate our employees' work and personal lives. In addition, we have opened the Xiaohu Doctor online consultation service to provide our employees with online consultation and online ordering and delivery of medicine to their homes to meet their needs for contactless consultation and medicine purchase.
EAP (Work Life Coaching Program) Employee Assistance Program	• We pay high attention to the mental health of our employees. We provide employees and their families with telephone or face-to-face counseling services through counselors from third-party professional organizations, covering a broad range of topics, including work stress, career, marriage and parenthood, and emotional management, to protect employees' physical and mental health in a multidimensional manner. In 2022, 460 telephone/video/face-to-face counseling sessions and 8 online/offline seminars were held at various locations.
Long-term Service Award	• In 2022, Longfor Group provided incentives and recognition to employees who had worked for more than ten and twenty years and motivated them for their unwavering commitment.
Other Benefits	• In addition to the above-mentioned key benefits, we maintain our welfare policies in many other areas, such as holiday blessings, various subsidies, green pass services for severe illnesses, and preferential housing purchases for employees from previous years, to create a welfare system that applies to every employee and to give employees greater autonomy over their decisions.

Longfor Group Benefit System

"Da Tong Yuan" Employee Care Program

The "Da Tong Yuan" Care Plan is an exclusive protection plan established by Longfor Group to assist employees afflicted by illnesses or accidents. In 2022, the "Da Tong Yuan Employee Care Plan" upgraded with the introduction of an immense reunion boon that extends coverage to employees' parents. It also added an online consultation function, allowing employees and their families to share medical resources in first-tier cities. In addition, if an employee leaves the Company, he or she can also switch to the "New Journey" plan, which will continue to protect the employee and his or her family.

By 2022, the number of people enrolled in the "Da Tong Yuan" Care Program has exceeded

14,000

the number of people benefited from the program was approximately

100,000

Employee Communication

In 2022, Longhu Group continued to deepen its culture construction and promote "Cultural Thermometer" activities on a regular basis, providing managers and employees with an online tool to detect the corporate culture atmosphere. In 2022, three "Cultural Thermometer" activities were held, covering all employees, with a total of 48,186 employees participating.

The number of employees participated in the "Cultural Thermometer" activities

48,186

Longfor Cultural Stories with Longfor Warmth

Longfor Group considers "creating a warm environment and providing warm service to the community" to be the essence of Longfor culture. This year, we selected forty small stories of Longfor culture to compile *In Longfor - Small Stories of Longfor Culture III*[43], which summarizes the cultural stories rich in the spirit of Longfor around the four dimensions of sincerity, diligence, simplicity, and spread Longfor staff's cultural attitude and practical actions of "For You Forever" to the public.

In Longfor – Small Stories of Longfor Culture III

[43] https://h5.zhixun.mobi/longhu/22_longhu/index2.php

We continue to boost business segment synergy and organizational efficiency and lead and support Longfor's development with culture-inspired momentum. All business segments and functional departments integrate culture into work standards and behavioral norms and promote the business impact of corporate culture through cultural experience, culture wall art, and cultural benchmarking. In addition, we have conducted "Wisdom Awakening Meeting", "Shining All-Stars", "Marketing Culture Festival", "General Manager's Meeting", "Night Talk around the Fireplace", "Hackathon", and a series of other activities to cultivate a corporate culture among employees and communicate Longfor Group's corporate values.

Longfor Group values employees' opinions. We actively consider their feedback and have constructed a multidimensional communication bridge. We continue to upgrade the function of the "Longfor BBS" internal forum, utilizing it as a platform for equal internal communication, enhancing employees' sense of security and enthusiasm, and encouraging them to express their work suggestions rationally. We upgraded the application scenario of community so that employees can initiate professional discussion and share in forming knowledge precipitation. We also promoted the implementation of 1v1, 360 comprehensive assessment, frank talks forum, and other mechanisms to enhance communication between employees and seniors.

The Group conducts yearly employee engagement and satisfaction surveys to improve employee satisfaction by listening to employees and identifying and resolving problems. In 2022, Longfor Group had an employee engagement score of 81% and a satisfaction score of 80%, maintaining the-leading position in the real estate industry.

Satisfaction Survey Coverage[44]	Score	Engagement Survey Coverage	Score
100%	80%	100%	81%

Employee Activities

Longfor Group actively engages in diverse staff activities to provide an inner driving force for the Company, stimulate staff vitality, promote healthy and sustainable development from the core, and communicate Longfor's values and warm spiritual power to the staff.

Female Employee Care Series

Longfor Group pays heed to the physical and mental health of female employees. We established a marketplace booth at the headquarters office to provide one-on-one consultation services on health, plastic surgery, dentistry, motherhood and childcare, fundus photography, and other health-related topics to increase the happiness of Longfor female employees.

In addition, we launch a series of "Longfor She Report" goddess-specific activities in all regions on "Goddess Day" on March 8 every year, including but not limited to pushing "Goddess Day" character stories on the Group's official WeChat account, snapshot flash of female exemplars at Longfor's headquarters, and holding goddess roundtable meetings to focus on women's workplace feelings, promote gender equity in the workplace, and praise women's value.

Female Health Consultation Activity

[44] The satisfaction survey covered all employees of Longfor Group.

Safety and Health

Institutional Guarantee

Longfor Group actively promotes the value of "Health and Safety" and places it at the core of the Company. Meanwhile, We continuously optimize the safety management structure and related systems, effectively implement safety management responsibilities, and conduct safety awareness training activities to provide our employees with a safe, healthy, and comfortable workplace. To create a safe, civilized, and harmonious working environment for employees.

Longfor Group strictly adheres to the *Work Safety Law of the People's Republic of China*, the *Construction Law of the People's Republic of China*, the *Administrative Regulations on the Work Safety Construction Projects*, the *Report on production safety accident and regulations*, the *Guardianship construction safety inspection standards*, and other laws and regulations. We have formulated safety production management systems such as *Longfor Group Construction Safety Management Measures for Projects Under Construction*, *Longfor Group Safe and Civilized Construction Management Standardized Atlas*, *Longfor Group Engineering Safety Management System*, and other safe production management systems so that safety hazards in the production process are proactively prevented and eliminated, and the responsibilities of relevant personnel at each level are clarified. In 2022, the Group formulated the *Health and Safety Management Policy*[45], covering all business lines of the Group, and required all suppliers and contractors to comply with the policy. At the same time, we made the safety management work of material production suppliers and the configuration of safety management personnel one of the important conditions for selecting suppliers, in order to create a safe, decent, and harmonious working environment for employees, tenants/customers, suppliers/contractors, and partners.

Management System

Longfor Group has established a three-tiered safety management system of "Group-Regional Company-Project" to clarify the responsibilities of health and safety management at each level and to implement a safety production responsibility system. In addition, we implement a system of accountability for safety accidents and link safety performance, including significant safety accidents, casualties, and fire accidents, to management and employee remuneration and bonuses.

Based on our safety management system, we have divided various nodes, covered all aspects, and established the *Real Estate Headquarters Regulations for Rewards and Punishments of Engineering Management*, which clearly stipulates the assessment points for rewards and punishments around safety management, and enhance employees' enthusiasm with a clear assessment orientation, providing positive motivation for safety management work.

Longfor Group's Safety Management Reward and Punishment Management Dimensions

Reward Management Dimension

- Satisfaction
- Quality Safety Benchmark Prize
- High Quality Delivery
- Efficiently Reached Nodes
- Technical Platform Support
- Resources
- Third-Party Inspection

Punishment Management Dimension

- Satisfaction
- Bottomline Principle
- Public Relation Management
- Redlines for Safety, Quality, and Excellence
- Significant Engineering Technical Plan Management
- Key Project Management Actions
- Key Quality Management Actions
- Resources
- Reached Project Nodes
- Monthly Inspection and Document Management
- Third-Party Itineration and Annual Punishment
- Prompt Punishment

[45] https://www.longfor.com/upload/file/2023-04-24/b210fcee-9cff-49de-bb49-5d1b9b0a7871.pdf

Three-tier Safety Management System

Group Safety Management

The Real Estate Headquarters is responsible for health and safety risk assessment, knowledge training, special inspection, and assessment evaluation.

Regional Safety Management

The Regional General Manager is responsible for all health and safety matters in the regional companies.

Project Safety Management

The project engineering manager is primarily responsible for the health and safety of project personnel and all health and safety issues within the project's scope.

Daily Safety Management Mechanism

Daily Safety Management

Phase Management and Control Mechanism

- Safety Management Structure
- Safety Personnel Assessment
- Safety Patent Plans
- Organizing Safety Checks

Establishing Safety Emergency Plans

- Executing Safety Responsibilities
- Including Management and Control in the Contract
- Hosting Safety Meetings
- Holding Safety Exhibitions

Safety Goals and Performance

In 2022, to achieve controllable safety and eliminate safety management risks in the projects currently under construction, eliminate safety management risks, Longfor Group has set safety management goals and regularly reviews the achievement of these goals.

Safety Production Goal

zero production safety accidents of average or above level within our responsibility; 5 percent decrease in production safety accidents of the average or above level of related-party (including contractor) responsibility.

Longfor Group Safe Production of 2020-2022

	2020	2021	2022
Number of Work-related Fatalities (person)	0	0	0
Rate of Work-related Fatalities (%)	0	0	0
Hours Lost Due to Work-related Fatalities (hours)	0	0	0

Safety Management

Longfor Group continues to improve production safety through graded management, digital-intelligence integration, and other initiatives based on the perfected system. Simultaneously, we launch a series of initiatives based on occupational health and safety management system certification to protect employee safety in all aspects and improve safety management from multiple perspectives.

Construction Safety

Longfor Group complies with laws and regulations such as the *Labor Law of the People's Republic of China* and internally formulates the *Real Estate Headquarters Engineering Safety Management System* to prevent and reduce safety accidents and comprehensively ensure labor safety. In order to guarantee the achievement of safety goal, we manage project safety risks on three levels: red, yellow, and green. For red projects, we will invite the safety person in charge of the other parent company to inspect with us, provide timely feedback on safety issues on site, and request that the safety person in charge of the Company follow up and correct the problem. For projects with significant risks, we will invite the entire engineering function and project management to inspect the site and address existing risk issues on-site.

Seasonal Flood Safety Specific Inspection

Regional Company Organizing Safety Grand Inspection

Safety Management Processes

Responsible Entity

We establish special safety personnel in regional companies and incorporate specific actions into a comprehensive table of full-cycle engineering control.

Contractual Management

We specify safety management standards and require strict implementation of standardized atlases in our contracts.

Safety Education

In all projects, we implement safety morning meetings and promote the model of "Safety Self-inspection Drill and Safety Morning Meeting".

Safety Meeting

Each month the regional companies have to conduct management meetings for construction safety briefings and monthly safety special meetings.

Safety Check

We have modified the form of third-party safety inspections, updated the safety checklist in its entirety, and clarified key risk control items.

Management of major hazard sources

We expand the management requirements for tall moldings, firefighting facilities, and deep foundation pits and clarify the four major risk control standards and principles.

Main Responsible Risk Management

We emphasize the phasal risk management of the main responsibility by mandating the formation of a management checklist, increasing the frequency of safety checks, and instituting measures for personnel reserves.

Red-lined Items Management

We have optimized and adjusted 9 red-lined items and clear-content scale, all included in the reward and penalty provisions.

Longfor Group vigorously conducted construction safety training for all employees and contractors to increase the safety awareness of construction personnel and enhance construction safety. In 2022, the Group launched six online training courses on production safety.

The number of production safety training participants reached

57,000

Safety Training Series

In 2022, Longfor Group conducted a series of training programs for regional safety posts, Party-A project departments, supplier supervision teams, supplier safety leaders, and machine controllers, including training on large machinery and safety management system.

- Warning Education at Regular Safety Meetings: We require the regional companies and projects to show safety warning films and accident cases at monthly safety meetings to warn and educate the principally responsible persons of suppliers and increase their safety awareness.
- Safety Exemplar Exhibition: We will display safety education platforms, safety belt warnings, VR display, safety civilization demonstration zone, and high-rise formwork sample, and organize suppliers and external units to visit and observe to enhance the brand influence of Longfor.
- Safety Awareness Promotion: We continue to conduct regular safety awareness promotion activities, such as production safety month, safety knowledge contests, and emergency drills, to improve our employees' safety awareness and professional competence significantly.

Organizing Safety Knowledge Contests

Organizing Safety Production Monthly Activity

Fire Safety Training

We attach great importance to fire safety, and have formulated related system frameworks such as the *Group Engineering Safety Management System* and *Construction Site Fire Safety Technical Specifications*, covering fire management systems, on-site fire prevention plans, and fire emergency plans. We also regularly conduct self-inspection and rectification of fire hazards based on the *Construction Fire Safety Inspection Form*. If any potential hazards are found, we will require relevant departments to develop practical and feasible rectification plans and immediately implement rectification. At the same time, we actively carry out fire safety warning education and emergency drills and other training activities to comprehensively enhance employees' awareness of fire safety and professional skills.

Fire Emergency Drill

Fire Safety Training

Extinguishing Open Flames Demonstration

Promoting Fire Safety Awareness at Construction Sites

Longfor Group has integrated mature digital technology into the safety management links, relying on the digital guarantee to construct an intelligent construction site and develop new engineering safety measures.

Intelligent Construction Site Empowering Safety Quality Upgrade

We empower construction safety with digital technology and ensure employee construction safety through various technologies, such as face recognition for tower cranes and intelligent monitoring equipment in the standard curing room.

- Intelligent Safety Helmet:

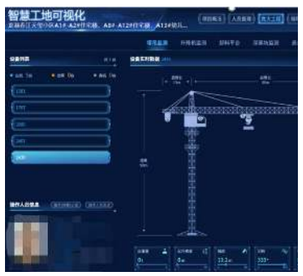
  We integrate the health monitoring function into the helmet and transmit the image to the visual command and dispatch platform to achieve real-time supervision, reducing the safety incident rate.

- Hook and Blind Spot Visualization:

  We collect the working condition of the hook in real-time and transmit the image to the cab so that the operator can see the status of the hook co-group and determine if there are any obstacles or personnel nearby, thereby ensuring the safety of tower crane operation.

Intelligent Safety Helmet Monitoring Platform

Intelligent Safety Helmet



Hook and Blind Spot Visualization Site

Supervision and Evaluation

Longfor Group highly emphasizes safety management in the construction process. In 2022, the Company conducted safety inspections internally and for suppliers an average of 2.5 times monthly. Through the safety inspection, interview, and punishment mechanism, we identified and remedied significant safety hazards, formed a sufficient guarantee for suppliers' safety personnel to carry out their responsibilities and reduce safety risks on the construction site, and actively promoted the improvement of suppliers' safety management level.

- Third-party Safety Inspection
- Monthly Inspection by the Regional Company's Functional Departments
- Safety Inspection before Festivals
- Monthly Inspection of Safe Production
- Group and Regional Large Machinery Inspection
- Fire Prevention Special Inspection
- Winter Construction Special Inspection
- Fall-from-height Safety Special Inspection

Longfor Group Safety Inspection System

In addition, we establish a "Star and Punishment" system to clarify the rules of safety management penalties, including the *Implementation Measures for Third Party Inspection of Real Estate Headquarters Projects* and *Management System for Third Party Inspection of Real Estate Headquarters Projects*, to promote the further improvement of site safety standards systematically. Unqualified inspection items must be rectified within a predetermined time frame, or total safety points will be deducted. Regional companies conduct semi-annual assessments and evaluations of regional safety specialties and project engineering managers, and link the results to semi-annual performance. For regional companies and individuals who have made outstanding contributions in timely notification, safety guarantee, and emergency response, commendations and rewards such as public letter of commendation and star awards will be given accordingly; for regional companies that have not had any safety production accidents throughout the year, have implemented safety management measures, and have no public relations crises of level three or above, one to three star awards will be given.

We actively encourage the reporting of any health and safety risks, incidents, or accidents and provide channels of communication. We also handle whistleblower information in strict confidence to avoid retaliation.

Occupational Health and Safety

Longfor Group complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Occupational Health Safety Management System Certification*. We have developed management systems and supervision mechanisms for employee health and safety. We conduct daily inspections and supervision to raise employee safety and health awareness. Longfor has obtained ISO 45001 and OHSAS 18001 Occupational Health and Safety Management System Certifications by the end of 2022.

Helping employees fight against the Pandemic and ensuring their health and safety

Longfor Group has implemented pandemic prevention and control measures, as well as emergency plans, since the COVID-19 outbreak. These include personnel arrangements, reporting mechanisms, workplace management, material storage, and employee care. We have implemented a number of initiatives for daily office operations, such as flexible office, requiring employees to actively report abnormalities, regular disinfection and sterilization, and providing psychological support. To ensure employee health and safety, we provide employees with workplace emergency kits containing antigen detection reagents, emergency drugs, masks, and other materials, and we collaborate with the Xiaohu Health Station to dynamically monitor material reserves.

Carrying out Health Bazaar to take care of employees' health

Longfor Group is concerned about its employees' work and personal lives and provides them with a variety of health examination channels, such as health consultation, TCM diagnosis, psychological consultation, and eye fundus screening. Furthermore, we have developed an exclusive health consultation service platform for Longfor, adding 15 health management services such as unlimited online consultation, in-depth interpretation of medical examination reports, and appointment registration (3 times per person/year), among others.

The Health Bazaar, as the highlight activity of Longfor's employee care service, not only meets the physical and psychological needs of employees, but also increases their happiness and sense of belonging.

Eye Screening

TCM Diagnosis

Index of the HKEX ESG Reporting Guide

Indicator	Description	Page
A. Environmental		
Aspect A1: Emissions		
General Disclosure		P116-117
A1.1	The types of emissions and respective emissions data	P125
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P101
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P125
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P125
A1.5	Description of emission target(s) set and steps taken to achieve them	P122-123
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	P122-123
Aspect A2: Use of Resources		
General Disclosure		P118-119
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)	P157
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P157
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	P119
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	P120-121
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Packaging material generation is not a material issue for the Group's business.
Aspect A3: The Environment and Natural Resources		
General Disclosure		P126-128
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P126-128
Aspect A4: Climate Change		
General Disclosure		P96-101
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	P96-101
B. Social		
Aspect B1: Employment		
General Disclosure		P134
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region	P158
B1.2	Employee turnover rate by gender, age group, and geographical region	P158
Aspect B2: Health and Safety		
General Disclosure		P159
B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year	P159
B2.2	Lost days due to work injury	P159
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	P151
Aspect B3: Development and Training		
General Disclosure		P137-141
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P159
B3.2	The average training hours completed per employee by gender and employee category	P159
Aspect B4: Labour Standards		
General Disclosure		P134
B4.1	Description of measures to review employment practices to avoid child and forced labour	P134
B4.2	Description of steps taken to eliminate such practices when discovered	P134
Aspect B5: Supply Chain Management		
General Disclosure		P86-89
B5.1	Number of suppliers by geographical region	P86
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	P87-88
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P87-88
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P89
Aspect B6: Product Responsibility		
General Disclosure		P32-63 & P90
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	During the reporting period, the Group had no such phenomenon.
B6.2	Number of products and service related complaints received and how they are dealt with	P55
B6.3	Description of practices relating to observing and protecting intellectual property rights	P90-91
B6.4	Description of quality assurance process and recall procedures	P50-52
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	P60-61
Aspect B7: Anti-corruption		
General Disclosure		P28
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	P28-29
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	P29
B7.3	Description of anti-corruption training provided to directors and staff	P29
Aspect B8: Community Investment		
General Disclosure		P66-83
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	P66-83
B8.2	Resources contributed (e.g. money or time) to the focus area	P66-83 & P158

List of Internal Policies and Laws & Regulations

ESG Indicator	Internal Policies	Laws & Regulations
A1 Emissions		*Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* *Water Pollution Prevention and Control Law of the People's Republic of China* *The reuse of urban recycling water—Water quality standard for urban miscellaneous use (GB/T 18920-2020)* *The reuse of urban recycling water—Water quality standard for scenic environment use (GB/T 18921)* *National Catalogue of Hazardous Wastes* *Measures for the administration of the prevention and control of environmental pollution by electronic waste*
A2 Use of Resources	*Energy Management System of Longfor Space Service Group* *Operation and Maintenance Management Manual* *Operation Guidelines for Energy Conservation and Consumption Reduction of the Project* *Longfor Group Asset Management Measures* *Longfor Space Service Group Project Material Management Measures 2022*	
A3 Environment	*Longfor Environmental Policy* *Climate Change Policy* *Biodiversity Framework*	*Law of the People's Republic of China on Evaluation of Environmental Effects* *Assessment standard for green building* *Technical Guidelines for Ultra Low Energy Consumption Buildings in Shanghai* *Design standard for energy efficiency of residential buildings* *Outline of Natural Protection of the People's Republic of China* *Regulations on the Administration of Environmental Protection of Construction Projects*
B1 Employment	*Group Talent Promotion Management Measures* *Group Recruitment Management Guidelines* *Employee Occupational Sequence and Occupational Level Management Measures* *Recruitment Manual* *Longfor Group's Human Rights Policy* *Group Running Water Plan Rules 2021*	*Labor Law of the People's Republic of China* *Labor Contract Law of the People's Republic of China*
B2 Health and Safety	*Standardized Atlas of Safe and Civilized Construction Management of Longfor Group* *Standardized Atlas of Safe and Civilized Construction Management of Longfor Group* *Construction Safety Management Measures for Projects under Construction of Longfor Group* *Green and environmental protection construction scheme* *Health and Safety Management Policy* *Group Engineering Safety Management System* *Real Estate Headquarters Regulations for Rewards and Punishments of Engineering Management* *Real Estate Headquarters Engineering Safety Management System* *Construction Site Fire Safety Technical Specifications* *Implementation Measures for Third Party Inspection of Real Estate Headquarters Projects* *Management System for Third Party Inspection of Real Estate Headquarters Projects*	*Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* *Occupational Health and Safety Certification* *Work Safety Law of the People's Republic of China* *Construction Law of the People's Republic of China* *Administrative Regulations on the Work Safety Construction Projects* *The Administrative Regulations on the Work Safety of Construction Projects*
B3 Development and Training	*Employee Occupational Sequence and Occupational Level Management Measure* *Group Running Water Program 2021*	
B4 Labor Standards	*Longfor Group Human Rights Policy*	*Universal Declaration of Human Rights*
B5 Supply Chain Management	*Longfor Supplier Code of Conduct* *Code of Conduct for Suppliers* *Group Construction Material and Equipment Supplier Management Measures* *Group Bidding Management Principles Version 2021 V3.0* *Management Measures for Suppliers of Construction Materials and Equipment of the Group Version 2021 V1.0* *Group Supply Chain Function Evaluation Method Version 2021 V1.0* *Group Cost Management System Version 2021 V15.0* *Management Measures for Procurement and Supply of Construction Materials and Equipment of the Group Version 2021 V1.0* *Green procurement policy system* *Integrity Cooperation Agreement*	*Government Procurement Law of the People's Republic of China* *The Bidding Law of the People's Republic of China*
B6 Product Responsibility	*Longfor Engineering Quality Management System* *Longfor Rework Management System for Completed Housing Projects* *Longfor Property Unit-Specific Inspection Management System* *Longfor Regulations on Concrete Quality Management* *Management System of Third Party Inspection of Group Projects* *Rules of Reward and Punishment for Third Party Inspection of Group Projects* *Longfor Operational Guidelines for Customer Interviews* *Longfor Property Separate Inspection Management System* *Longfor Management Measures for House Delivery Evaluation* *Group Data Security Management System Group Staff Information Security Code of Conduct* *Group Sensitive Document Leakage Prevention Guidelines* *Group USB Flash Disk Copy Prohibition Operation Guidelines* *Longfor Major Group Lawsuits and Major Complaints Management Measures* *Longfor Property Management Complaint Management Procedures* *Goyoo 400 Hotline Customer Service Notification Operation Standards* *Group Goyoo Public Opinion and Customer Litigation Risk Management Standards* *Longfor Guidelines for Handling Commercial Real Estate Complaints* *Customer Satisfaction Management System* *Longfor Customer Satisfaction Fund Management Implementation Measures* *Standard Management System for Residential and Sales Site Staff Housing of Property Service Group* *List of Key Management Actions for Project Quality of Longhu Group* *Real Estate Headquarters Engineering Quality Management System* *Graded service work standards* *Group Guanyu Crisis Event Handling Guidelines* *Group Guanyu Crisis Event Handling Guidelines* *Safety Audit Management Measures* *Specification for information notification of official assistance matters* *Provisions on Precautions for Confidentiality Issues When Employees Disclose Information to the Media and the Outside World* *Algorithm management method* *Internet of Things Security Management Specification* *Responsible Marketing Policy of Longfor Group* *Letter of Commitment on Marketing Red Line Behavior* *Longhu Group Client Publicity Management System* *Guidelines for Patent Classification of the Group* *Guidelines for the Assessment of Patent Agents of the Group*	*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 Acceptance Standard for Building Construction Quality (GB503002013)* *Technical Specification for Assembled Decoration of Hotels* *Enterprise Standard for Fabricated Wall Finish Systems* *Data Security Law of the People's Republic of China* *Personal Information Protection Law of the People's Republic of China* *Trademark Law of the People's Republic of China* *Copyright Law of the People's Republic of China* *Patent Law of the People's Republic of China*
B7 Anticorruption	*Longfor Code of Business Conduct* *Group Whistleblower Protection System 2022* *Empowerment Platform Whistleblower Protection System*	*Anti Money Laundering Law of the People's Republic of China* *Prevention of Bribery Regulations* *Anti-Unfair Competition Law*
B8 Community Investment	*"One Old One Small" Friendly Community Construction Indicators (Draft for Comments) "* *"One Old One Small Friendly Community" Property Service Guide (Draft for Comments)* *"Hardware Construction Standards for Friendly Communities with" One Old and One Small "(Draft for Comments)"*	*Implementation Plan for Actively Responding to Population Aging Project and Childcare Construction during the "14th Five Years Plan"* *Charity Law of the People's Republic of China* *Measures for Information Disclosure of Charitable Organizations*

Table of ESG Data Indicator Performance

Economic Indicators

	Unit	2022	2021	2020
Total Assets	RMB billion	786.8	875.7	765.2
Net Assets	RMB billion	233.2	221.9	192.7
Revenues	RMB billion	250.6	223.4	184.5
Core Attributable Profit	RMB billion	22.5	22.4	18.7

Governance Indicator

		Unit	2022	2021	2020
Annual Risk Identification and Assessment	Number of audit activities	/	17+	20+	22
	Number of audit findings	/	125	50+	160+
	Rectification completion rate	%	100	100	100
Business Ethics	Number of employees that participated in the business code of conduct training and examinations	ten thousand people	2.2	4.4	3.4
	Passing rate of the examinations	%	100	100	100
	Proportion of suppliers required to sign the Agreement on Integrity in Cooperation	%	100	100	100
Complaints and Reports	Number of complaint calls received	/	800+	800+	700+
	Valid complaints	/	381	345	147
Anti-corruption	Risk of systematic corruption	/	0	0	0

Environment Indicators

Green Building

	Unit	2022	2021	2020
In 2022, the number of green building-certified projects	/	8	34	34
In 2022, the project area certified as green building	million square meters	1.28	4.30	5.73
In 2022, the share of Longfor's project area that meets the standard of green building	%	100	96.7	-
As of the end of 2022, the total number of Longfor's projects that meet the standard of green building	/	548	499	341
As of the end of 2022, Longfor's total area that meets the standard of green building	million square meters	130+	90+	72+

Energy Consumption

	Unit	2022	2021	2020
Petrol	L	31,963.06	45,559.14	289,585.92
Diesel	L	225,200.97	172,776.02	100,475.75
Natural gas	m^3	9,472,032.85	12,417,486.16	4,519,720.70
Purchased electricity	kWh	814,471,619.54	790,003,394.74	583,924,179.03
Purchased heat	GJ	176,697.41	/	/
Comprehensive energy consumption	tce	117,944.09	112,437.48	77,686.91
Comprehensive energy consumption density	tce / revenue of RMB 10,000	0.0047	0.0050	0.0042
Water consumption	m^3	22,806,286.30	23,038,950.22	29,177,141.13
Water consumption density	m^3/revenue of RMB 10,000	0.91	1.03	1.58

Greenhouse Gas Emissions

	Unit	2022	2021	2020
Scope 1 emissions	tCO_2e	21,372.96	26,522.60	10,775.66
Scope 2 emissions	tCO_2e	587,625.15	613,586.31	538,611.66
Total emissions	tCO_2e	608,998.11	640,108.91	549,387.33
Greenhouse gas emission density	tCO_2e/revenue of RMB 10,000	0.02430	0.02865	0.02980

Waste

		Unit	2022	2021	2020
Non-hazardous Waste	Total discharge of non-hazardous waste	Tonnes	8,301,417	6,596,210	31,791,297
	Emission density of non-hazardous waste	Tonnes / revenue of RMB 10,000	0.33	0.30	-
Hazardous Waste	Total discharge of hazardous waste	Tonnes	2,415	1,894	1,578
	Emission density of hazardous waste	Tonnes / revenue of RMB 10,000	0.000096	0.000085	-

Social Indicators

Community Public Welfare

	Unit	2022	2021	2020
Charitable Donation	RMB million	138	416	220

Products and Services

	Unit	2022	2021	2020
Customer satisfaction	%	90.3	92.3	88

Employees

		Unit	2022	2021	2020
Total number of employees		/	31,565	44,065	35,426
Divided by gender	Male	/	18,142	26,823	20,938
	Female	/	13,423	17,242	14,488
Divided by position	High-level	/	79	94	95
	Middle-level	/	941	1,142	719
	Entry-level manager	/	3,165	4,268	2,297
	Employees	/	27,380	38,561	32,315
Divided by age	Under 30	/	12,172	17,155	13,857
	30 (inclusive) to 50 (exclusive)	/	17,976	24,661	17,605
	Above 50 (inclusive)	/	1,417	2,249	3,964
Divided by region	Mainland China	/	31,559	44,051	35,406
	Hong Kong SAR, Macao SAR and the Islands of Taiwan and Overseas	/	6	14	20
Divided by type of employment	Part-time employees	/	0	-	-
	Full-time employees	/	31,565	-	-
Divided by educational background	Junior college and below	/	15,068	-	-
	Undergraduate	/	13,149	-	-
	Postgraduate	/	3,307	-	-
	PhD student	/	41	-	-
Divided by ethnic background	Employees from ethnic minorities	/	1,361	-	-
Divided by female proportion	Proportion of female employees in senior management	%	13.16	-	-
Employee turnover rate					
By line of business	Turnover rate of real estate channel	%	23.91	22.00	20.61
	Turnover rate of non-real estate channel	%	29.79	36.00	33.39

Employee Training

			Unit	2022	2021	2020
Total number of employees trained			person	35,233	47,875	41,276
Total Online Training Duration			Hour	1,266,465	1,660,996	439,097
Hours of training per capita	Divided by gender	Male	Hour	31.4	35.98	9.4585
		Female	Hour	41.8	34.19	8.8967
	Divided by position	High-level	Hour	6.8	7.74	0.5245
		Middle-level	Hour	20	27.43	8.7631
		General Employees	Hour	36.5	35.61	9.2934
Total offline training duration			Hour	364,770.5	306,132.6	159,809
Hours of training per capita	Divided by gender	Male	Hour	10.1	7.28	3.66
		Female	Hour	10.7	5.04	2.93
	Divided by position	High-level	Hour	31.1	28.44	2.64
		Middle-level	Hour	25	19.77	8.64
		General Employees	Hour	9.9	6.39	2.82

Care for Employees

	Unit	2022	2021	2020
The proportion of employees covered by the Group's engagement survey	%	100	100	94
Employee engagement score	%	81	83	86
Employee satisfaction score	%	80	80	83

Production Safety

	Unit	2022	2021	2020
Number of safety production accidents that caused severe injuries or above	/	0	0	0
Number of work-related fatalities and severe injuries	/	0	0	0
Rate of work-related fatalities occurred	%	0	0	0
Lost days due to work injury	Days	0	0	0
Number of safety-related online courses	/	6	10	7
Number of employees involved in safety training	Ten thousand people	5.7	6.8	6.2

Supplier Management

	Unit	As of the end of 2022	As of the end of 2021	As of the end of 2020
Number of suppliers	/	147,838	123,653	22,834
Mainland China	/	147,368	123,133	22,774
Hong Kong SAR, Macao SAR and the Islands of Taiwan	/	57	46	44
Overseas	/	413	474	16

Innovation Management

	Unit	2022	2021	2020
Number of software copyright applications	/	46	50	39
Number of software copyright grants	/	46	50	39
Number of patent applications	/	280	262	113
Number of patent grants	/	112	112	33
		As of December 31, 2022	As of December 31, 2021	As of December 31, 2020
Total number of software copyright grants	/	184	138	54
Total number of patent grants	/	390	278	45

GRI Indicator Index

Statement of Use	Longfor Group has reported the information cited in this GRI content index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	About Longfor	P10-17
2-2	Entities included in the organization's sustainability reporting	About the Report	P6-7
2-3	Reporting period, frequency and contact point	About the Report	P6-7
2-7	Employees	Fair Employment	P134-135
2-8	Workers who are not employees	Supply Chain Management	P86-87
2-9	Governance structure and composition	Corporate Governance	P22-23
2-10	Nomination and selection of the highest governance body	Corporate Governance	P22-23
2-11	Chair of the highest governance body	Corporate Governance	P22-23
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance	P22-23
2-13	Delegation of responsibility for managing impacts	Corporate Governance	P22-23
2-14	Role of the highest governance body in sustainability reporting	Board Statement	P8-9
2-19	Remuneration policies	Employee Benefits	P142-144
2-22	Statement on sustainable development strategy	Sustainable Development Management	P34
2-29	Approach to stakeholder engagement	Stakeholder Communication	P18
2-30	Collective bargaining agreements	Fair Employment	P134-135
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Stakeholder Communication	P19
3-2	List of material topics	Stakeholder Communication	P19
3-3	Management of material topics	Stakeholder Communication	P18-19
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change	P98-100
201-3	Defined benefit plan obligations and other retirement plans	Employee Benefits	P142-144
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Risk Control	P27

GRI STANDARD	DISCLOSURE	LOCATION	PAGE
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics	P29
205-3	Confirmed incidents of corruption and actions taken	Business Ethics	P29
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics, Supplier Management	P28&P88
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Green Construction	P116-117
301-2	Recycled input materials used	Green Construction	P116-117
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Low-Carbon Operation	P120
302-2	Energy consumption outside of the organization	Low-Carbon Operation	P120
302-3	Energy intensity	Low-Carbon Operation	P120&157
302-4	Reduction of energy consumption	Low-Carbon Operation, Green Building	P118-119 & P113-116
302-5	Reductions in energy requirements of products and services	Low-Carbon Operation	P118-119
GRI 303: Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Low-Carbon Operation	P120-121
303-2	Management of water discharge-related impacts	Low-Carbon Operation	P120
303-3	Water withdrawal	Low-Carbon Operation	P121
303-4	Water discharge	Low-Carbon Operation	P121
303-5	Water consumption	Low-Carbon Operation	P121
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change	P101
305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change	P101
305-4	GHG emissions intensity	Responding to Climate Change	P101
305-5	Reduction of GHG emissions	Responding to Climate Change, Green Building	P101 & P113-116
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	Low-Carbon Operation	P122-125
306-3	Waste generated	Low-Carbon Operation	P125
306-4	Waste diverted from disposal	Low-Carbon Operation	P123-125
306-5	Waste directed to disposal	Low-Carbon Operation	P123-125
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Supplier Management	P86-89
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management	P89

GRI STANDARD	DISCLOSURE	LOCATION	PAGE
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Fair Employment	P134-135
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits	P142-144
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Safety and Health	P145
403-2	Hazard identification, risk assessment, and incident investigation	Safety and Health	P148-150
403-3	Occupational health services	Safety and Health	P151
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety and Health	P151
403-5	Worker training on occupational health and safety	Safety and Health	P148-151
403-6	Promotion of worker health	Safety and Health	P151
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Health	P145-151
403-9	Work-related injuries	Safety and Health	P147
403-10	Work-related ill health	Safety and Health	P147
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Talent Development	P137
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Development	P138-141
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Development	P136
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Corporate Governance, Fair Employment	P22-23 & P134-135
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Fair Employment	P134-135
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Fair Employment, Supplier Management	P134-135 & P87
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Fair Employment	P134-135
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Fair Employment	P134-135
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Rural Revitalization, Care for the Elderly and Children, Facilitating Education, Community Charity	P66-82
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Supplier Management	P86-88

GRI STANDARD	DISCLOSURE	LOCATION	PAGE
414-2	Negative social impacts in the supply chain and actions taken	Supplier Management	P86-88
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Diversified Service, Reassuring Guarantee	P32-34 & P63
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Reassuring Guarantee	P61
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Reassuring Guarantee	P60-61

LONGFOR 龙湖

善 待 你 一 生

FOR YOU FOREVER

Official Website

Weibo Account

WeChat Account

Tel : 010-8798 4299
Fax : 010-8798 4500
Web : https://www.longfor.com/
Add : Longfor Blue Engine, Building 6, No.8th Beiyuan Street, Chaoyang District, Beijing. China
P.C. : 100012