LONGFOR 龙湖

善待同行

FOR YOU FOREVER

2023 Sustainability Report

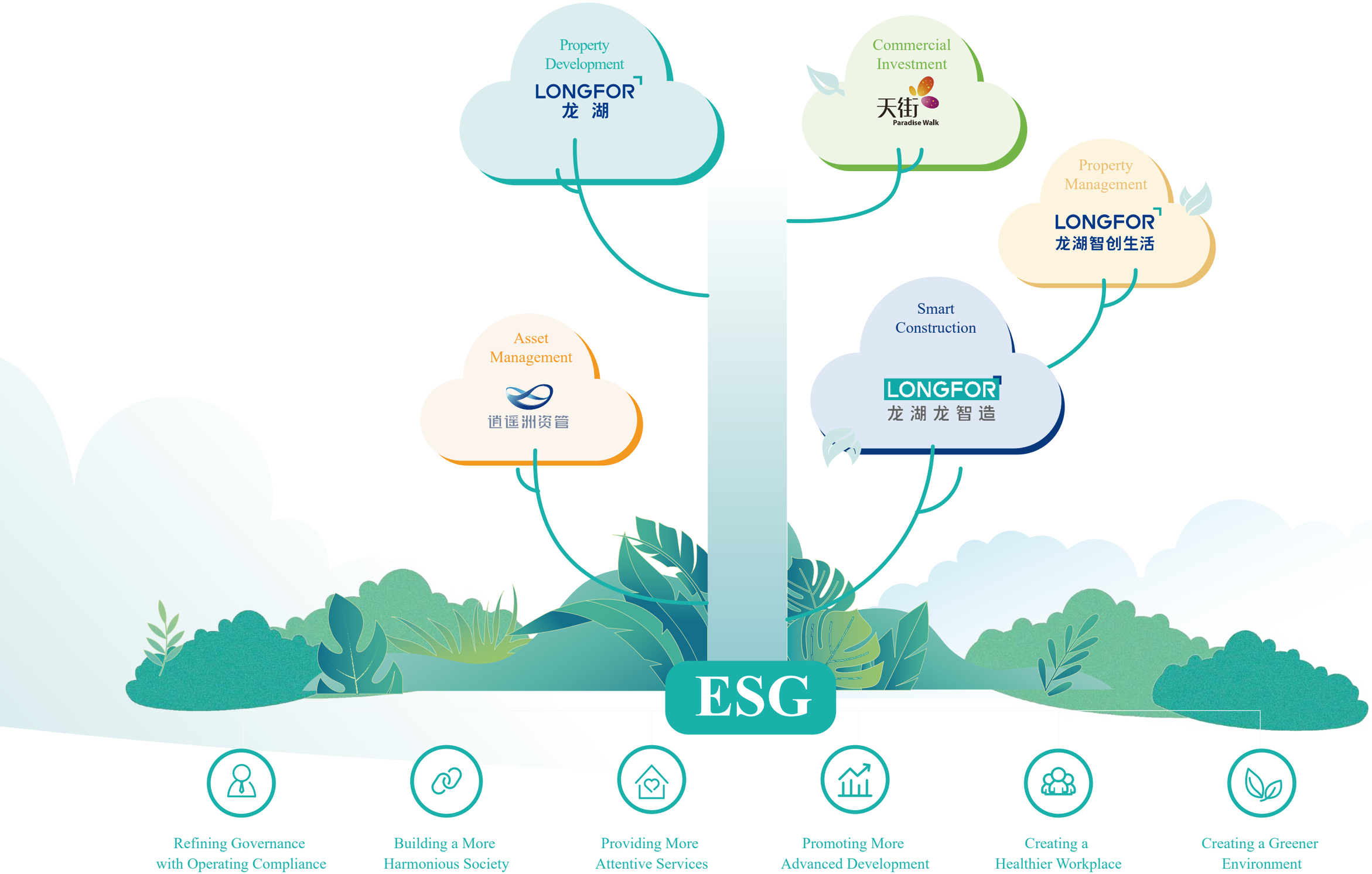
龙湖集团控股有限公司

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
Smart Construction
LONGFOR
龙 湖 龙 智 造
Asset Management
逍遥洲资管
ESG
Refining Governance with Operating Compliance
Building a More Harmonious Society
Providing More Attentive Services
Promoting More Advanced Development
Creating a Healthier Workplace
Creating a Greener Environment

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About the Report

Longfor Group Holdings Limited has issued the "2023 Sustainability Report" (the "Report"), the fourth 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.

01

Reporting Scope

This Report covers the period from January 1, 2023, to December 31, 2023 (the "Reporting Period"), which is aligned with our 2023 annual report, with some historical or current data extension of 2024. 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, asset management, property management, and smart construction.

02

The Reporting Standards

This Report follows the relevant provisions and requirements of the *Environmental, Social, and Governance (ESG) Reporting Guide* set out in Appendix C2 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), 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.

03

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.

04

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", and "billion Yuan" are referred to as "RMB", "RMB million", and "RMB billion".

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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) or on the website of the HKEX. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Chairman's Statement

In 2023, significant changes have occurred in the supply and demand dynamics of the real estate market. Comprehensive policies have been implemented across different cities to optimize real estate regulation and control, with a focus on ensuring the timely delivery of buildings, safeguarding people's livelihoods, and promoting market stability. Longfor Group has collaborated with partners, customers, and consumers in a challenging year through robust operations and strong financial conditions. The Company remained committed to customer-demand orientation by providing high-quality products and satisfactory services and pursuing high-quality development with resilience. Additionally, 2023 marked the 30th anniversary of Longfor Group's establishment, signifying its growth into a Fortune 500 company operating in three major business segments - development, operation, and service. Having initially launched in Chongqing, the Company is now deeply rooted in first- and second-tier cities nationwide. Throughout its 30-year history, Longfor Group has upheld the mission of "for you forever," while exhibiting a dedication to corporate social responsibility and sustainable practices during progress to expand its kindness initiatives.

In 2023, Longfor Group demonstrated outstanding performance in ESG measures. Specifically, we achieved noteworthy advancements: the MSCI ESG rating escalated by two levels to AA, attaining the highest rating level for Chinese Mainland real estate companies and marking the first Chinese Mainland real estate company to achieve such a substantial improvement this year. Additionally, we were included for the first time in the Hang Seng Corporate Sustainability Benchmark Index, scored 90 points in GRESB, a global sustainability standard for real estate, and were awarded three green stars. Furthermore, Longfor Group received the highest Public Disclosure rating, Grade A, from GRESB. The Company also participated in the CDP for the first time, obtaining a B rating and has maintained a rating of Low Risk from Sustainalytics.

Building green residences with commitment to environmental well-being

In pursuit of its environmental goals, Longfor Group has embraced a green mission by establishing an emission reduction target in 2021 - the Company aims to achieve a 15% reduction in carbon emission intensity per unit area by 2030 compared to the 2020 levels. Moreover, Longfor Group promotes green, low-carbon, and healthy construction, with the objective of meeting the national star-rated green building standard in all newly-built projects. The Company continues to deepen its engagement in low-carbon green construction and aspires to be the promoter and leader in low-carbon green building technology. In 2023, the Group developed a new dual-carbon intelligent platform to integrate the concept of low carbon and green building across the entire lifecycle of buildings from various dimensions, including target management, energy collection and analysis management, and carbon reduction technology application management, ultimately facilitating the realization of carbon reduction targets and potentially advancing the development of net-zero or zero-carbon buildings.

Up to now, Longfor Group has also maintained industry leadership in several green and low-carbon technologies, such as passive house technology, clean energy technology, sponge city technology, and prefabricated construction technology, which have been extensively applied in its projects.

Providing more considerate services with commitment to customers' well-being

Relying on an increasingly robust quality control system, Longfor Group is dedicated to providing users with high-quality products and services, from design to delivery. From the beginning, Longfor strategically employs a "preferred brands, centralized procurement, exclusive supply" model, meticulously overseeing material selection and establishing a personalized decoration system to develop living spaces that embody "integration, storage, well-being, convenience, and quality" for its users. Moreover, the Group places customers at the core of its operations, embracing craftsmanship, originality, and sincerity to deliver a peace-of-mind-oriented service that covers the entire lifecycle of the property. In 2023, Longfor Group successfully delivered approximately 140,000 of high-quality housing across more than 160 projects in 56 cities nationwide, with nearly 20% of the projects delivered ahead of schedule. The overall customer satisfaction rate surpassed 90%.

Longfor Group relentlessly enhances its quality management system and actively advances the certification of the ISO 9001:2015 quality management system. Longfor has developed 74 workmanship techniques covering the three major dimensions of civil construction, mechanical and electrical engineering, and decoration, while also establishing reliable construction standards. Furthermore, Longfor has implemented a three-level quality control system, known as "Group-Region-Project" quality control system, to ensure construction quality at all levels. In 2023, Longfor continued to fervently promote the "Sunshine Workshop" Program, which provides full transparency into the construction process, from civil engineering to delivery, and monitor product quality together with customers.

Consolidating workplace safety with commitment to employees'well-being

Longfor prioritizes workplace safety as central to its sustainable business development and proactively identifies and addresses potential safety hazards in the production process. Longfor has implemented a three-tier safety management system, "Group-Regional Companies-Projects," outlining clear health and safety management responsibilities at each level. Additionally, Longfor has enforced a workplace safety responsibility system and established a daily safety management mechanism to comprehensively ensure labor safety throughout the production process. Leveraging the AIoT intelligent construction platform, we employ artificial intelligence and big data technology to visually and intelligently enhance construction safety.

Spreading public welfare initiatives with commitment to community well-being

Longfor Foundation, capitalizing on the life-cycle project matrix and a keen focus on the diverse needs of people, systematically executes various public welfare programs, such as the The Smiley Bud Program, Lake-light Program, Flying-eagle Program, Stream Program, Evergreen Program, and Comprehensive Assistance for Rural Revitalization. These initiatives aim to provide precise and comprehensive support. In 2023, The collective public welfare donations from Longfor Group, its founders, and Longfor Foundation nearly reached RMB100 million. By the end of 2023, the cumulative contributions from Longfor Group, its founders, and Longfor Foundation had exceeded RMB1.9 billion.

Entering a new phase, Longfor Group remains dedicated to its mission of "for you forever," exemplified by its commitment to community, customer, employee, and environmental well-being. We continue to stand in solidarity with stakeholders, fostering collaborative growth and development.

Board Statement

Longfor Group's Board of Directors is dedicated to establishing a sound ESG management system, strengthening ESG governance, and promoting the sustainable development of the Company. The Board of Directors serves as the highest decision-making body for sustainable development management and holds overall responsibility for ESG decisions. A Board-level ESG Committee, chaired by Mr. Chan Chi On, an independent non-executive Director, and consisting of the Board Chairman, one executive Director, and two independent non-executive Directors, has been established. This Committee is responsible for formulating and reviewing the Group's ESG strategies and policies, examining major ESG trends as well as related risks and opportunities, overseeing and evaluating the Group's performance in sustainable development, and regularly reporting to the Board of Directors. An ESG Working Group has been established under the ESG Committee to coordinate and promote ESG projects in each functional department and ensure the allocation of resources to ESG efforts, as well as implementation on the ground.

In consideration of stakeholder expectations and demands, we regularly organize internal and external events to engage with stakeholders, perceiving and evaluating important ESG issues, and discussing and reviewing them during ESG Committee meetings. The ESG Committee routinely reviews ESG risks and opportunities and makes decisions on significant ESG management tasks and projects for the year.

We have set sustainability-related objectives and regularly assess ESG materiality issues, reporting them to the ESG Committee for review and evaluation to guide the management in optimizing the ESG objectives management system. We have systematically mapped and explored internal and external environmental aspects, such as greenhouse gases, energy, and green power in accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong, progressively setting relevant targets in line with practical developments. We have set a carbon reduction target of 15% reduction in carbon emission intensity per unit area by 2030. We also integrate ESG indicators into the performance appraisals of key departments to drive the accomplishment of ESG objectives and enhance performance. Starting from 2024, the Group will include "reduction in energy intensity per unit area" in the strategic evaluation assessment (BSC), and the achievement of the indicator will directly affect the overall performance evaluation of the Group. Also, we have established quantitative workplace safety targets, aiming for zero general and above-grade workplace safety accidents for which we are responsible. Additionally, we are targeting a 5% reduction in general and above-grade workplace safety accidents for which related parties hold responsibility, compared to the previous year, as part of our proactive measures to ensure construction safety. The ESG Committee has reviewed and discussed these targets and will continue to supervise and review the progress toward achieving them. In 2023, We referenced the framework recommended by the Task Force on Climate-related Financial Disclosure (TCFD) to conduct periodic identification and assessment of climate change risks and opportunities and formulate targeted initiatives to address them.

The Group places significant emphasis on the disclosure of ESG information. The ESG Working Group is responsible for publishing the annual ESG report, which undergoes review by the ESG Committee to guarantee the authenticity and effectiveness of the disclosure. This Report, which details the progress and effectiveness of Longfor Group's 2023 ESG efforts, was reviewed and approved by the ESG Committee on April 22, 2024.

About Longfor

Founded in Chongqing in 1993, Longfor Group Holdings Limited (stock code: 960) has since expanded its footprint nationwide. The Company was listed on the Main Board of the Hong Kong Stock Exchange in 2009 and became a constituent of the Hang Seng Index in 2021. Longfor Group has been included in the Fortune Global 500 for three straight years and has maintained its ranking in the Forbes Global 2000 for 13 consecutive years.

Longfor Group has established a high-quality development model with a focus on three main segments: development, operation, and service, leveraging the synergistic effect of five core sectors: property development, commercial investment, asset management, property management, and smart construction. Longfor has successfully achieved a comprehensive layout in high-potential tier one and tier two cities. Additionally, the Company is committed to enhancing the capabilities of each sector for organic growth, ensuring positive operating cash flow. Longfor also maintains its dedication to consistently optimizing and improving asset quality to ensure sustainable development.

Revenue in 2023

RMB 180.7 bn

Tax Paid in 2023

RMB 20 bn

Property Development

Contracted Sales

RMB 173.5 bn

Total Landbank

45.39 mn sqm

Projects Developed

1,200+

Total GFA

230+mn sqm

Accumulated Housing Delivered

950,000+

Commercial Investment

Rental Income

RMB 10.28 bn

No. of Malls in Operation

88

Total GFA

7.97 mn sqm

Foot Traffic

2.63 ppl mn/day

Asset Management

No. of Stores Opened by Goyoo

300+

No. of Rooms Under Management by Goyoo

160,000+

GFA under Blue Engine Management

over 310,000 sqm

No. of Projects by Hybrid Space

5

Property Management

GFA under Property Management Service

359 mn sqm

No. of Malls Under Management

88

Households Covered

3.25 mn

Customer Satisfaction Rate

90%+

Smart Construction

No. of Total Contracted Construction Projects

90

GFA of Total Contracted Construction Projects

16+mn sqm

Corporate Culture

1. What we do for you?

Space as a Service "SaaS"
Making space come alive, by offering sincere and compelling service

2. What our customers will experience?

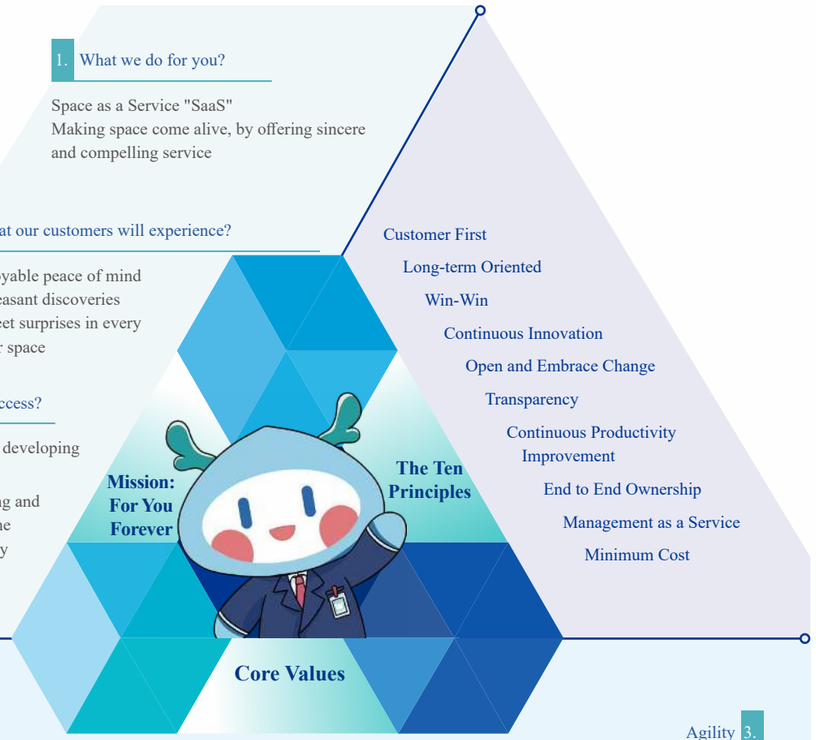
An enjoyable peace of mind with pleasant discoveries and sweet surprises in every Longfor space

3. 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



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

1. Entrepreneurship

Business trend insight; Building competitive advantage; Driving execution; Creating a resource ecosystem

2. Integrity

Maintaining promises and trustworthiness. Integrity involves willingness as well as ability. Embracing low power distance and maintaining bottom-line and principle thinking. Dare to raise objections to unreasonable decisions made by superiors.

3. Agility

Looking beyond the place where we stand; pursuing excellence, self-development, and continuous innovation.

4. Win-Win

Striving to achieve a win-win or all-win model and deeply involving stakeholders in the goal. Supporting the success of customers, employees, and partners. Encouraging teams to collaborate, recognize goals, overcome challenges together, and celebrate victories.

Annual Honors

402nd

Fortune Global 500

54th

Fortune China 500

306th

Forbes Global 2000

23rd

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

Constituent Member

Hang Seng Corporate Sustainability Benchmark Index ("HSSUSB")

Gold Award

2023 China Best Managed Companies by Deloitte

The 12th China Charity Award

Ministry of Civil Affairs

Excellent Case

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

2023 Key ESG Performance

Economy/Governance

Revenue
RMB 180.7 bn

Core Attributable Profit
RMB 11.4 bn

Total Assets
RMB 700.4 bn

In 2023, property development revenue was RMB 156 billion, with residential projects accounting for 94% and commercial office and other projects accounting for 6%.

Net Assets
RMB 236.5 bn

Tax Paid
RMB 20 bn

MSCI ESG Rating
AA

Sustainalytics
Low Risk

GRESB
Green 3 Stars, with a score of 90

Selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index ("HSSUSB")

Social

Delivered Housing Units
140,000

Delivery Satisfaction Rate
90.6%

Delivery Rate Ahead of Schedule
20%

Customer Satisfaction Rate
91.2%

Total Number of Employees
29,116

Total Number of Suppliers
200,812

Charity Donation
RMB 1.9+bn

Accumulated number of People Helped
2.26+mn

Total Number of Volunteers
11,000+

Cumulative Volunteer Service Hour
45,000+hours

Environmental

In 2023, the proportion of the Group's new projects that meet national green building standards
100%

In 2023, the proportion of the Group's new projects that meet national green building standards of one star or above
78%

As of the end of 2023, the Group's accumulated projects that meet national green building standards
581

As of the end of 2023, the Group's accumulated area for projects that meet national green building standards
130+ mn sqm

In 2023, the number of WELL Gold certified projects
1

As of the end of 2023, the number of prefabricated construction patents applied by the Group
199

In 2023, the percentage of hot water generated by air-source heat pump in new projects applying air-source heat pump technology
41%

In 2023, the percentage of hot water generated by solar energy in new projects applying solar water heating technology
27%

Corporate Annals

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 the property management division marking the Group's start in the property management business.

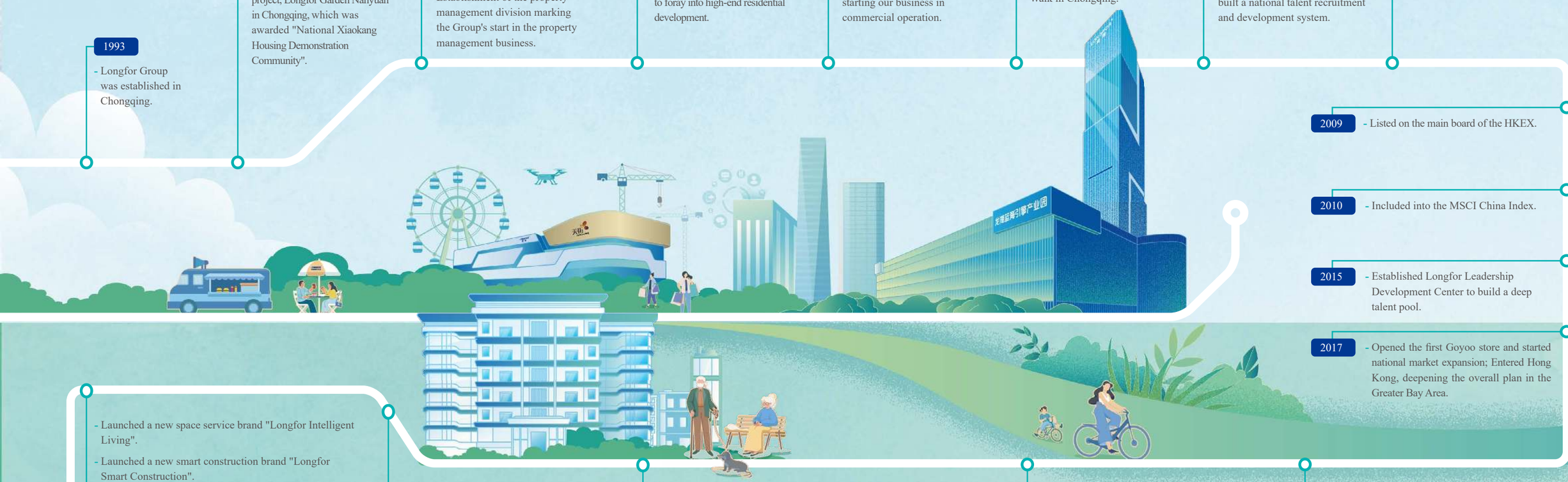
2001
- Developed the first villa project, Fragrant Garden in Chongqing to foray into high-end residential development.

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 trainees 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.

2010
- Included into the 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 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 a 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 in HSCEI ESG 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 in 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.

2023
- Longfor Group's MSCI ESG rating has advanced two levels to AA, which represents the highest rating for Chinese Mainland real estate companies.
- Participated in CDP rating for the first time and obtained a management rating of B.
- Longfor Group has been selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index, being the sole newly selected real estate company from Chinese Mainland.

Stakeholder Communication

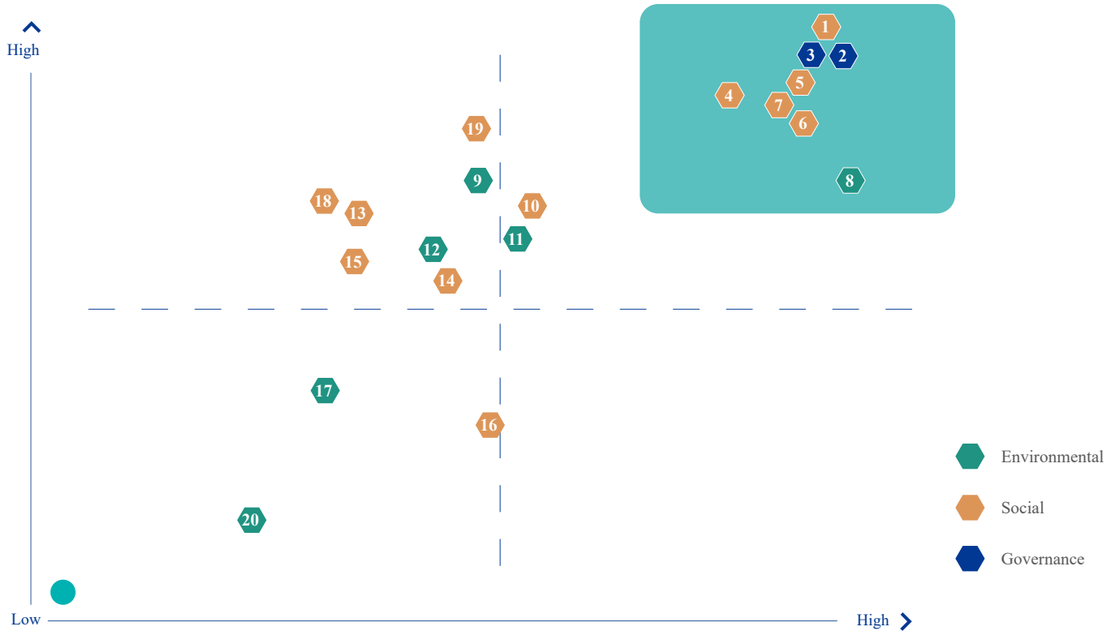
Longfor Group considers communication and cooperation with stakeholders an integral part of ESG management. We proactively engage with stakeholders using diverse channels, maintain close ties with key stakeholders, actively seek to understand and address the expectations and needs of both internal and external stakeholders, and consistently enhance corporate information transparency to generate sustainable value for all stakeholders.

Longfor's Stakeholder Communication Mechanism

Stakeholders	Main Concerns	Main Communication Channels	Main Response
Government/ Regulatory Authorities	- Legal compliance - Response to national strategy - Economic and social impacts - Anti-corruption and antitrust	- Governmental conferences - Policy directives - 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 - Irregular email communication - Investor teleconference	- Operate stably and progressively - Improve corporate governance - Facilitate information disclosure - Enhance investor relations management
Customers	- Product quality - Privacy security - Response to demands - Management service	- Customer satisfaction survey - Customer relations management - Customer visits 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 - Good 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 visits for daily business	- Comply with contractual requirements strictly - Improve the Company's credit - Strengthen qualification review - Expand business fields - Maintain sustained 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 association	- Promote the design and application of green buildings - Actively reduce energy consumption and greenhouse gas emissions 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

Identification of Material Issues

In 2023, we conducted a comprehensive review of our materiality matrix, taking into account the compliance requirements of the HKEX, the prevailing ESG rating system in the capital market, best practices from our industry peers, and input from various stakeholders after analysis, discussions, and consultations with the Group's management, which revealed no significant changes in the outcomes. With the results of our materiality assessment as a guide, we will address the primary concerns of stakeholders in a targeted manner and provide full disclosure in this Report.



Material Issue Matrix

High Material Issues

1	Engineering Quality and Safety	Social
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 Material Issues

9	Energy Conservation and Emission Reduction	Environmental
10	Supply Chain Management	Social
11	Response to Climate Change	Environmental
12	Waste Management and Pollution Prevention	Environmental
13	Technological Innovation	Social
14	Community Communication and Integration	Social
15	Employee Career Development	Social
16	Intellectual Property Protection	Social
17	Water Resource Management	Environmental
18	Industry Development	Social
19	Public Welfare and Charity	Social

Low Material Issues

20	Biodiversity	Environmental

Refining
Governance with Operating Compliance

Longfor Group has consistently held that sound corporate governance is the bedrock of sustainable development. We are committed to strengthening our corporate governance capabilities, enhancing our risk management practices, prioritizing stakeholder concerns, and safeguarding the Group's healthy, long-term, and sustainable growth.

ESG Material Topic(s) Responded in This Chapter

- Legally Compliant Operation
- Anti-Corruption and Integrity

SDGs Goal(s) Responded in This Chapter

Corporate Governance

Longfor Group strictly adheres to the *Company Law of the People's Republic of China* and all other applicable laws and regulations. The Company continually refines its corporate governance structure and elevates its governance standards. 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 assessing the training and sustainable professional development of directors and senior management, as well as overseeing the Company's policies and practices in complying with legal requirements.

The Board of Directors of the Longfor Group has nine members as of December 31, 2023, including four executive directors, one non-executive director, 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. Based on their specific duties, the five committees oversee the relevant operations and management of the Group to ensure the efficient functioning of the Board. For more details about the Board and its committees, please refer to the investor relations section of the Company's official website at https://www.longfor.com/investor/. During the Reporting Period, the Board of Directors held 4 meetings with a 100% attendance rate.

In 2023

the Board of Directors held

4 meetings

Attendance rate

100%

List of Longfor Board of Directors

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

Audit Committee	Remuneration Committee	Nomination Committee	Investment Committee	Environmental, Social, and Governance Committee
Mr. Chan Chi On, Derek (Chairman)	Mr. Leong Chong (Chairman)	Mr. Xiang Bing (Chairman)	Mr. Chen Xuping	Mr. Chan Chi On, Derek (Chairman)
Mr. Frederick Peter Churchouse	Mr. Xia Yunpeng	Mr. Chan Chi On, Derek	Mr. Zhao Yi	Mr. Chen Xuping
Mr. Xiang Bing	Ms. Shen Ying	Mr. Xia Yunpeng	Mr. Zhang Xuzhong	Ms. Shen Ying
	Mr. Chan Chi On, Derek		Mr. Chang Keyi	Mr. Frederick Peter Churchouse
	Mr. Xiang Bing		Mr. Xia Yunpeng	Mr. Xiang Bing

Longfor Group recognizes board diversity as a crucial factor in achieving the sustainable development of the Company. To establish a diverse Board of Directors and effectively carry out the Board's duties, we have developed the *Board Diversity Policy* [1]. When selecting Board members, we uphold the principle of meritocracy and assess against a variety of diversity categories, encompassing gender, age, cultural and educational background, professional experience, skills, knowledge, and length of service, among others. Additionally, we regularly assess the implementation of Board diversity to ensure efficient business operations and maintain high corporate governance standards. In formulating the remuneration policy, we consider the Group's strategic objectives, performance results, and external market benchmarks, as well as the individual capabilities, performance review, position value, and contributions of the Company. The remuneration structure consists of fixed salary, allowances, bonuses, and share incentive schemes to appropriately combine short-term and long-term incentives and remain competitive in the market, which is aimed at stimulating the enthusiasm and creativity of the Directors and fostering the long-term, stable development of the Group.

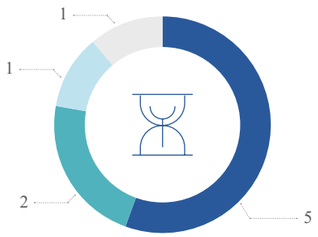
Strategy/business focus for Longfor's Board members

Strategy/ Business Focus	Mr. Chen Xuping	Mr. Zhao Yi	Mr. Zhang Xuzhong	Ms. Shen Ying	Mr. Xia Yunpeng	Mr. 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	√	√	√	√	√	√	√	√	√

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

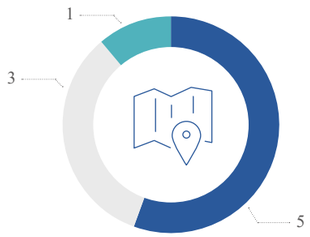
Board Diversity Dimensions

Age



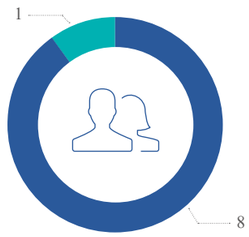
41-50 51-60
61-70 70 above

International Profile



Chinese Mainland Hong Kong, China
New Zealand

Gender

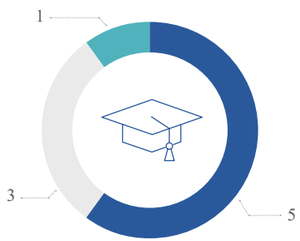


Male Female

Positions

Independent Non-Executive Director
Non-Executive Director
Executive Director

Cultural and Educational Background



PhD. Master's Degree Bachelor's Degree

The Group prioritizes investor feedback and is committed to establishing continuous and seamless communication channels for investors. During the Reporting Period, we maintained regular and effective communication with investors through various events including interim/annual reports, HKEX announcements, performance presentations, roadshows, and investor forums, and an exclusive mailbox for investor relations, among others. In 2023, the Group issued 61 announcements, hosted over 170 investor visits and teleconferences with both domestic and international investors, conducted 2 online result briefing conferences, and arranged more than 20 investor roadshows.

Sustainability Management

Longfor Group places great importance on ESG governance and continues to optimize the Company's ESG governance structure and enhance the level of ESG governance. An ESG Committee has been established at the Board level, chaired by Mr. Chan Chi On, an independent non-executive Director, alongside two other executive Directors and two independent non-executive Director members, with the responsibility of overseeing the Group's management approach to sustainable development and ensuring the balance and effectiveness of ESG decision-making. 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 assessing ESG performance. In addition, the Company has formed an ESG Working Group under the leadership of the ESG Committee to promote the implementation of ESG work across various business lines and functional departments, and to provide the ESG Committee with regular ESG performance reports and updates. For further details on the functions of the ESG Committee of Longfor Group, please refer to the *Terms of Reference of the ESG Committee*[2]. In 2023, the ESG Committee held a total of 2 meetings with 100% participation.

In 2023

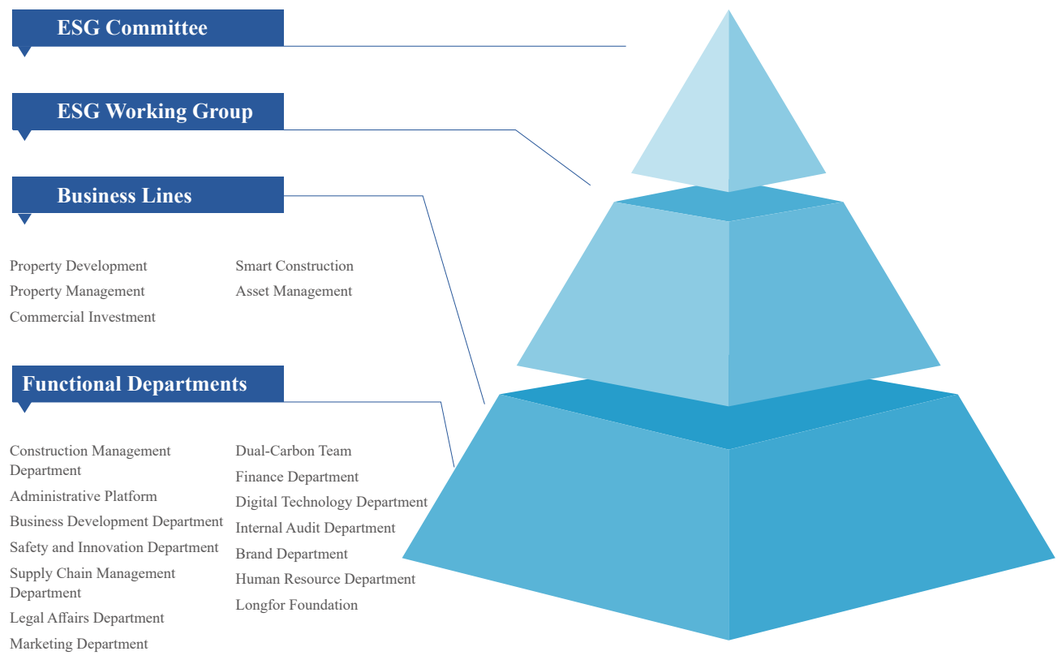
the ESG Committee held

2 meetings

Attendance rate

100%

ESG Governance Structure of Longfor Group



We are dedicated to optimizing the ESG management system, establishing multidimensional environmental, social, and governance objectives, and seamlessly integrating the principles of sustainable development into our daily operations. Our ultimate goal is to comprehensively enhance the level of ESG governance within the Longfor Group.

[2] https://www.longfor.com/upload/file/2020-08-26/653dc7d0-482f-4339-b192-f5896ef07ec0.pdf

Green Finance

Longfor Group views green finance as a vital driver of the Group's sustainable development. 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 a total offering size of RMB 4.04 billion to develop the new Chongqing Longfor Lijia project and Shanghai Hongqiao Business District Phase I No.5 plot.

Cumulative green bond issuance

RMB 4.04 billion

2020

The Group established a green finance framework in 2020. 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 of 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- 2023

The Group obtained syndicated loans of HK$3.45 billion and HK$3.1 billion in 2022 and 2023 respectively 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. In pursuit of this objective, Longfor Group has set 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 workforce so as to monitor and enhance its sustainability performance.

Syndicated loan obtained in 2022

HK$ 3.45 billion

Syndicated loan obtained in 2023

HK$ 3.10 billion

[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 2023* and other internal policies to ensure the quality of risk management and the effective and healthy implementation of duties on all levels.

Risk Management Structure

Board of Directors

- Serve 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

- 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.

The Group applies a "Three Lines of Defense" approach to ESG risk management. We conducted self-inspection and self-correction activities in 2023, primarily in the first and second lines of defense, and enhanced the effectiveness of relevant systems and the compliance of business operations in response to the more than 1,800 issues identified during self-inspection. The third line of defense utilizes case advocacy and other methods to strengthen business empowerment and enhance the cohesion and flexibility of the connection with the business.

"Three Lines of Defense" Risk Management Model

First Line of Defense

- Management of Business Departments
- Staff

Second Line of Defense

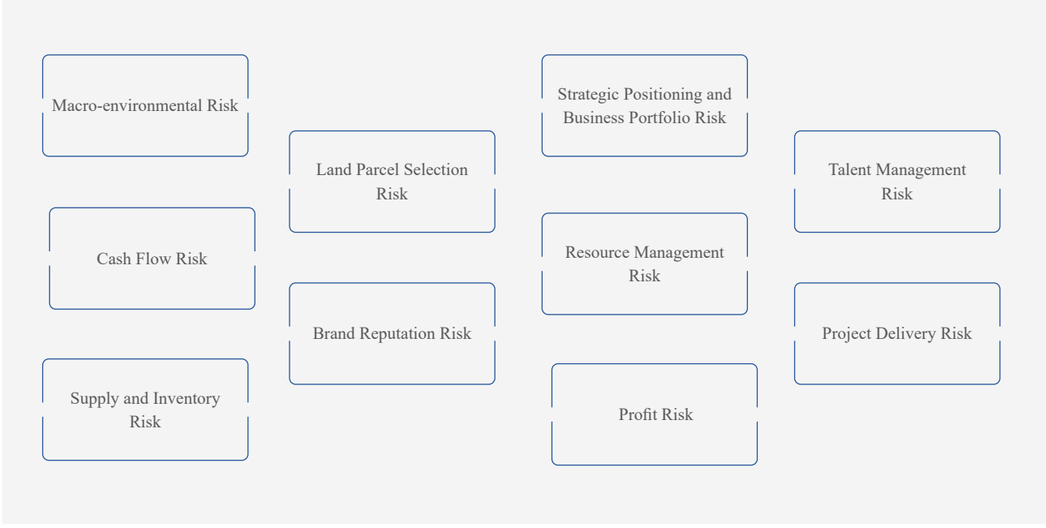
- General Manager of Business Lines
- CEO (Leader)
- CFO (Deputy Leader)

Third Line of Defense

- Audit Committee
- Internal Audit Department
- Safety and Innovation Department

We integrate compliance management and risk reduction into the daily operations of the Group, maintaining a solid financial position and good financing capability through regular risk identification and assessment efforts. In early 2023, the Group conducted the risk identification and assessment for 2023 and mapped out the risks faced by Longfor Group in 2023, which include 17 medium level risks and 5 low level risks. The Group also determined the top ten risk of 2023 and formulated the responding plan through the assessment based on vulnerability and effect. Details of risks and responding plans were submitted by the Audit Committee and confirmed by the Board. During the year, the Group monitored the implementation of risk management based on the risk responding plans and prepared a report at the end of the year.

Top 10 Risks for Longfor Group in 2023



Longfor actively employs quantitative indicators to measure the effectiveness of its risk control. When evaluating its executives and leaders of relevant department, Longfor correlates the results of risk control with their performance and considers their contribution to the Group's risk identification and management process when assessing their annual performance.

Business Ethics

Longfor Group adheres to 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 Regulations*, and other relevant national and local policies and regulations. The Group maintains a "zero tolerance" approach towards corruption and bribery. The day-to-day supervision and management of business ethics issues are entrusted to the Group's Audit Committee. In 2023, we updated the *Code of Longfor Business Conduct*[5], which encompass anti-corruption and bribery, anti-monopoly and unfair competition, anti-money laundering, and whistleblowing principles. All employees, including senior management and new hires, were required to sign the *Code of Conduct*, resulting in a 100% signing rate for all employees, including directors and senior management personnel in 2023. The Group distributed the *Anti-Bribery and Anti-Corruption Rules* to all employees, explicitly forbidding any form of corruption and bribery and outlining a clear reporting and handling process. This significantly increased employee awareness of anti-corruption and integrity. No corruption litigation cases filed during the Reporting Period.

The Group conducts regular business ethics audits across all business lines each year. Any violations of business ethics are promptly reported and addressed to ensure the effectiveness of business ethicsrelated policies within the Group. In 2023, more than 20 audits were completed and 556 investigative leads were followed up, and over 100 audited risks were identified. Of these risks, 15 were systematic loopholes and 14 were and major deficiencies, all of which were rectified and completed with a 100% rectification rate. Additionally, a total of RMB10.695 million in losses were directly recovered.

Longfor Group has established open, transparent, and unobstructed reporting channels. According to existing business systems, whistleblower complaints are addressed based on the risk coefficient and level of importance, with follow-up conducted by business lines, Safty and Innovation Department Innovation Department or Internal Audit Department to ensure closure of the loop. During the Reporting Period, the Company's anti-fraud reporting channels received 446 valid reports, and the completion rate for reports throughout the year was 100%.

Longfor Reporting Channels for Business Misconduct

E-Mail	ljjb@longfor.com
Hotline	400-604-0988
Official 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

Longfor supports and protects whistleblowers and their whistleblowing behaviors by implementing the Group's *Whistleblower Protection System*[6]and updating the *Empowerment Platform Whistleblower Protection System* in May 2022. This aims to optimize the whistleblower protection mechanism, ensuring the protection of whistleblowers' legitimate rights and interests without infringement. The Company adheres to strict confidentiality regarding the whistleblowers' information and the report contents, while strictly prohibiting any form of retaliatory actions against the whistleblowers. Any retaliation against the whistleblowers from individuals or groups will be held accountable.

To foster a transparent and ethical business environment and enhance the awareness of anti-corruption among employees, contractors, and suppliers, Longfor conducts annual anti-corruption training for members of the Board of Directors, management, all employees, suppliers, and contractors. During the Reporting Period, the Group organized 4 special integrity training sessions for the Board of Directors and senior management, featuring 3.5 hours of training per person and a total of 1,000 training hours. Additionally, a total of 532 business ethics training sessions were held for all employees (including contractors and part-time employees) through online training, reaching over 65,000 viewers. More than 6,500 people completed the training, accounting for a total of over 3,824 training hours, and achieved a 100% pass rate on the business ethics examination.

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

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

Building a More Harmonious Society

Longfor Group is actively involved in public welfare initiatives and established the Longfor Foundation in October 2020. The Foundation's mission is to bring light to some moments in many lives and create beauty in some moments in various spaces, continuously improving the internal governance of public welfare projects and ensuring their successful implementation. In 2023, the Foundation achieved a 5A grade in the assessment of Shenzhen social organizations and received an excellent score in China's Foundation Transparency Index (FTI)[7]. With professionalism, efficiency, and transparency as its cornerstone, the Longfor Foundation strives to deliver high-quality public welfare and charity initiatives.

In compliance with the *Charity Law of the People's Republic of China* and the *Regulations on the Administration of Foundations*, the Longfor Foundation carries out 5 major public welfare projects based on a life-cycle approach to address the specific needs of different age groups. The Foundation strongly supports the effective implementation of the Rural Revitalization and "One Elder One Child" programs, aiming to achieve precise and comprehensive assistance. As of the end of the Reporting Period, the accumulated donations from Longfor Group, its founders, and the Longfor Foundation exceeded RMB1.9 billion.

ESG Material Topic(s) Responded in This Chapter

- Community Communication and Integration
- Public Welfare and Charity

SDGs Goal(s) Responded in This Chapter

[7] Foundation Transparency Index (FTI) serves as a standardized evaluation system for foundation transparency in the form of a ranking list. It comprises a comprehensive set of indicators, weights, parameters, information disclosure channels, and completeness.

Longfor Foundation's Full Life-cycle Project Matrix

1 Children — The Smiley Bud Program

The Smiley Bud Program offers disease screening, assistance for major illnesses, and post-operative rehabilitation to children from financially disadvantaged families. It also provides pediatrician training and other support measures to address the shortage of medical resources in difficult areas. The program aims to provide timely and efficient medical assistance for children with serious illnesses, improve the level of medical care in challenging regions, and enable early detection and treatment without requiring patients to leave their province.

3 Youth — The Flying-Eagle Program

The Flying-Eagle Program responds to the State Council's Circular on the Issuance of the Implementation Plan for the Reform of National Vocational Education. It specifically targets students facing academic difficulties and encourages them to complete their compulsory education in secondary vocational schools while receiving skills training. Through a "pre-vocational + post-vocational "model, the project combines vocational school learning with subsequent employment, assisting vocational school students in their growth and employment prospects.

5 Elderly — The Evergreen Program

The Evergreen Program responds to Guiding Opinions on Comprehensively Promoting the Renovation of Old Urban Districts and Guiding Opinions on Accelerating the Implementation of Ageing Adaptation Retrofitting Projects for the Elderly. In collaboration with the Urban Housing and Construction Commission and the Ministry of Civil Affairs, Longfor integrates its expertise in space creation and services to renovate public spaces in old districts. Through the partnership, the project aims to improve the safety, convenience, and well-being of the elderly by focusing on public space renovation, elderly-friendly home environment renovation, community elderly service center refurbishment, and community care and volunteer services, revitalizing old neighborhoods and fostering the development of "One Elder One Child" Friendly Community Project.

6 Comprehensive Assisstance for Rural Revitalization

The Foundation integrates the advantages in its full life cycle program to establish an innovative county complex to provide comprehensive targeted assistance, with Dianjiang County in Chongqing as the pilot location.

2 Teenager — The Lake-light Program

In alignment with the goals outlined in the 14th Five-Year Plan and Vision 2035 on the call for the development of rural education teacher teams, the Lake-light Program collaborates with enterprises, reputable educational institutions, and public welfare industries to provide high-quality educational resources. By working closely with local education departments, the program supports a three-dimensional approach focused on principals, teachers, and students across counties, empowering rural schools, promoting teacher development and motivation, and nurturing talent. This comprehensive support program aims to enhance the overall education level in remote mountainous counties, contributing to a balanced and high-quality education system.

4 Middle-aged — The Stream Program

The Stream Program aligns with the national strategy of rural revitalization through the development of characteristic industries. It actively supports local small-scale enterprises through an industrial support model that includes entrepreneurial base support, industrial talent training, and agricultural assistance platforms. The project's objective is to foster the growth of small and micro-enterprises and contribute to rural revitalization.

7 "One Elder One Child" Friendly Community Project

Jointly with the China Philanthropy Research Institute of Beijing Normal University, Longfor Foundation has been collaborating on designing standards for the "One Elder One Child" Friendly Community Project, creating a friendly community space, empowering talents and implementing service programs to enhance the quality of life for the elderly and children in the community to address community needs and establish a safe, healthy, cultured, and self-governing environment.

Rural Revitalization

In January 2023, the CPC Central Committee and the State Council issued the *Opinions on Comprehensively Facilitating the Key Tasks of Rural Revitalization in* 2023, outlining the strategic direction to promote the development of rural industries and the creation of beautiful villages that are suitable for living and working. The Longfor Foundation actively responded to the national rural revitalization strategy in 2023 by focusing on promoting rural industries and cultural development. The Foundation implemented the State Council's call for industrial revitalization, brain gain, and cultural revitalization, and continues to support rural development through industry-based assistance, education enhancement, medical assistance, community building, etc., injecting Longfor's influence into rural education and economic development.

Comprehensive Assisstance for Rural Revitalization

The Longfor Foundation actively explores best practices in public welfare for rural revitalization, focusing on the comprehensive and multi-sectoral approach to rural revitalization assistance. In 2023, the Foundation piloted a comprehensive rural revitalization assistance project in Dianjiang County, Chongqing, integrating high-quality resources for the first time. The project aims to improve the coverage and effectiveness of rural assistance comprehensively, ensuring the sustainable development of rural revitalization.

Comprehensive Rural Revitalization Assistance Project to Support Dianjiang County by Longfor Foundation

The launching ceremony of Longfor Foundation's comprehensive rural revitalization assistance project in Dianjiang County, Chongqing, was successfully held on August 30, 2023. Over the next two years, the Foundation will donate RMB16 million to support Dianjiang County in four key areas: industry-based assistance, education, medical assistance, and community building. This funding will contribute to the development of a model rural area in Dianjiang County, focusing on the sectors of industrial support, education enhancement, medical assistance, and community building.

Donation Ceremony of Longfor Foundation to Dianjiang

Industry-Based Assistance

Longfor Foundation, in collaboration with the China Guangcai Program Foundation and the Administration and Management Institute of the Ministry of Agriculture and Rural Affairs, is implementing the "Guangcai Action to Support Rural Revitalization through Leading Rural Industrialization Enterprises." This initiative brings together 50 heads of the nation's top agricultural industrialization enterprises responsible for Dianjiang County, along with 100 agricultural leaders from the target area, to support the development of new industries in Dianjiang County and promote the cultivation of innovative industries, new forms, and effective approaches, thereby driving the growth of the rural industrial economy.

Education Enhancement

Longfor Foundation and YouChange China Social Entrepreneur Foundation have initiated the two-year Lake-light Program. This project integrates enterprises, reputable schools, and high-quality resources from the public welfare sector to provide support to school principals, teachers, and students at all levels. Its objective is to elevate the overall quality of education in the county and foster talent in rural education.

Medical Assistance

Longfor Foundation will collaborate with Ai You Foundation and Children's Hospital of Chongqing Medical University to implement The Smiley Bud Program in Dianjiang County. This project's focus is on screening children's diseases, providing assistance for serious illnesses, offering compassionate care to children, and training pediatricians. The objective is to establish a comprehensive solution that enables more children from underprivileged families with serious illnesses to regain their health.

Community Support

Longfor Foundation will collaborate with the Chongqing Foundation for Disabled Persons and Dianjiang County People's Government to implement the "Care for the Elderly Living Alone Action" in Dianjiang County. This program aims to prioritize the safety and mental well-being of elderly individuals living alone while enhancing their overall comfort and happiness.

The Stream Program[8]: Deeply Engaged in Rural Industry-Based Assistance

In response to the national strategy of promoting rural revitalization through the development of characteristic industries, the Stream Program is dedicated to aiding local small and micro enterprises by utilizing the industrial support framework involving business base support, industrial talent training, and an agricultural assistance platform.

In 2023

RMB2.65 million

donated for Guangcai Action to support rural revitalization

Jointly Carrying Out the "Guangcai Action to Support Rural Revitalization through Leading Rural Industrialization Enterprises."

In 2023, Longfor Foundation, in collaboration with the China Guangcai Program Foundation and the Administration and Management Institute of the Ministry of Agriculture and Rural Affairs, is implementing the "Guangcai Action to Support Rural Revitalization through Leading Rural Industrialization Enterprises." The project establishes an exchange platform between leading enterprises and poverty-stricken areas and organizes various activities such as major local project promotion, exchange on the featured industry, forums on farmer support by leading companies, high-quality project and product presentations, and rural industry seminars. These activities connect leading enterprises with poverty-stricken areas and encourage mutual interaction, thus optimizing the role of leading enterprises in driving rural development and driving agriculture to facilitate comprehensive rural revitalization.

As of the end of the Reporting Period, the project had been implemented in Dianjiang, Chongqing, Linfen, Shandong, and Xingyi, Guizhou. It successfully trained over 470 individuals responsible for agribusinesses and facilitated nearly 40 projects for collaboration and negotiation between governments and enterprises.

Guangcai Action to Support Rural Revitalization through Leading Rural Industrialization Enterprises

Number of leaders of agricultural firms being trained:	Number of matchmaking and negotiation projects between the government and companies facilitated by the Project:
over 470	**nearly 40**

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

The Lake-light Program[9]: Focus on Rural Education

Based on the actual needs of rural education development and the disparity in educational resources between urban and rural areas, the Longfor Foundation proactively responds to the policy call and initiates the rural education support project - the Lake-light Program. The project effectively integrates resources from enterprises, prestigious schools, and public welfare industries. It collaborates with local education departments to emphasize endogenous motivation as the core driver. Focusing on the three major areas of "principals, teachers, and students," the project implements initiatives such as empowering rural principals with management skills, the Lake-light-Shanqiao Project, and China Potential Talent. It offers comprehensive support to improve the education level in remote and mountainous counties, promoting educational equity and enhancing its quality.

As of the end of the Reporting Period, the Lake-light Program had encompassed 112 schools in 5 provinces. It assisted 110 education managers in enhancing their management concepts and methods, provided livelihood protection and professional development systems for 760 rural teachers, and delivered psychological, reading, and other literacy courses to 30,400 rural students, aiding in the enhancement of their core literacy skills.

As of the end of the Reporting Period

The Lake-light Program has covered 5 provinces, benefiting

112 schools

Providing psychological counselling, reading and other literacy projects for

30,400 rural students

In 2023

The Lake-light Program donated

over RMB **1.07** million

Longfor Foundation Co-hosted the 7th Biennial Conference for Educational NGOs

From March 25 to 26, 2023, the Longfor Foundation, in collaboration with the 21st Century Education Research Institute, Beijing Western Sunshine Rural Development Foundation, and other organizations, successfully co-hosted the 7th Biennial Conference for Educational NGOs in Changsha City, Hunan Province. During the opening speech of the main forum, the Longfor Foundation shared the implementation of the "Lake-light Program" to enhance education in counties. The Longfor Foundation and YouChange China Social Entrepreneur Foundation jointly organized a roundtable discussion on "Adaptability of Public Welfare Resources to Local County Needs" and "Strategies for Implementing Sustainable Public Welfare Projects in the County Model."

Roundtable Forum at the 7th Biennial Conference for Educational NGOs

The project leader of the Lake-light-Shanqiao Project highlighted its key focus on supporting the development of exemplary principals, enhancing the capabilities of elite teachers, nurturing students' "4+X" abilities, and actively engaging with the local education sector through the establishment of a platform for delivering high-quality educational resources and deploying resident work teams. The organization is dedicated to providing comprehensive solutions to enhance the county education ecosystem.

This biennial conference provides an arena for exploration and exchange in rural education. By showcasing successful case studies and stimulating innovative thinking, it enables educational NGOs to continuously seek effective solutions for addressing educational challenges in counties. Ultimately, it contributes to the healthy and sustainable development of the rural education ecosystem.

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

The Lake-light Program - Urban and Rural Children's Accompanying Reading Activity at Rural Primary Schools in Daliang Mountain to Reach the Dream of Spaceflight

From July 17 to August 15, 2023, the "2023 Lake-light Program - Urban and Rural Children's Accompanying Reading Activity", a collaboration between the Longfor Foundation and Snail My Way, was successfully conducted. The project brought together children of Longfor property owners and employees with 106 children from Lizi Township Primary School in Xide County, Liangshan, Sichuan. These children were divided into 53 groups for reading companion activities and embarked on 30 days of shared reading. Through daily attendance for reading, activity tasks, and sharing of reading experiences, the children fostered mutual understanding between urban and rural areas by introducing aspects of their respective hometowns to each other. The project culminated with a special experience for families from Longfor employees, owner families with the highest scores, and families from the 16 groups of the 2023 Little Dragons Project. They visited the location of the 2023 Little Dragons Project National Summer Camp for a deep immersion in rural life and Yi culture. Additionally, they joined their companions from Li Zi Township Primary School for a visit to the Xichang Satellite Launch Center, where they witnessed the awe-inspiring moment of a rocket launch.

In 2023, Lake-light Program - Urban and Rural Children's Accompanying Reading Activity

Accompanying Reading Groups

53

Accompanying Reading Days

30

The Urban and Rural Children's Accompanying Reading Activity

2023 Summer Camp of "Potential Talent Cultivation Project"

From July 21 to August 3, the training for the participants of the "Potential Talent Cultivation Plan" and the 2023 Tsinghua Visit summer camp took place at the Affiliated High School of Tsinghua University. The event was jointly sponsored by the Committee for the Care of the Next Generation of the Ministry of Education, the Special Fund for Cultivation of Potential Talents of the China Next Generation Education Foundation, the Longfor Foundation, and the Affiliated High School of Tsinghua University. This camp hosted 150 participants from the 7th to the 11th cohorts of the project and seven lead teachers.

During the summer camp, participants engaged in practical courses such as Life Science, Frontier Technology and Design, English Speech and Debate, and Evolution of the Earth, along with artistic and athletic activities including rock climbing, music appreciation, physical exercise, and more. Additionally, they visited ancient schools and patriotic education sites to enhance their comprehensive capabilities, broaden horizons, and deepen their understanding.

Summer Camp of "Potential Talent Cultivation Plan"

The Lake-light Program Launched New Session of Key Teacher Training in Wuxi County

At the start of the new semester, the Lake-light Program initiated a series of training sessions for rural teachers in Wuxi County, Chongqing. From September 16 to 18, 2023, the project conducted an experiential learning program for 30 teachers who have participated in the mental health, drama, and sexuality education sub-programs. These teachers engaged with camp education and experiential learning experts from Hong Kong to experience the complete process of experiential learning and to acquire the skills necessary to guide students in reflecting and summarizing classroom activities. Following this, from September 21 to 27, 90 English teachers participated in a comprehensive oral English speaking improvement training, utilizing English conversation exclusively throughout the entire program. Over the duration of the training, the teachers progressed from an initial state of nervousness and anxiety to developing confidence in the efficient, professional, and engaging closed English environment. In their nightly diaries, the teachers expressed their intent to integrate the classroom activities and the nurturing atmosphere of love and respect they had experienced during the training into their future lessons with students.

Teacher Training in Wuxi County

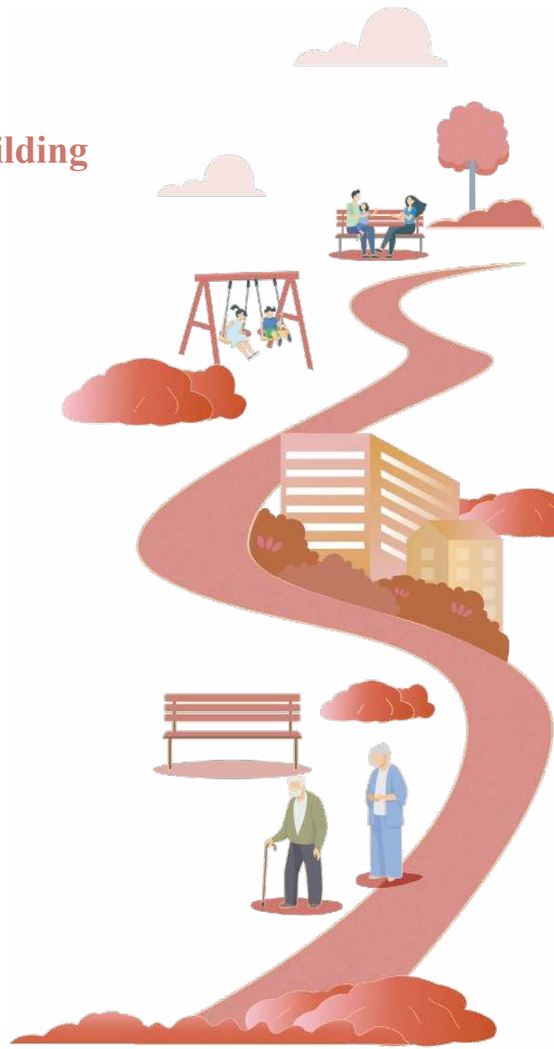
Care for the Elderly and Children

Due to the accelerating trend of population aging and the introduction of the three-child policy, the demand for elderly care and childcare services is increasing rapidly. The issue of the aging population and young children has garnered significant attention from the country. In February 2023, the National Development and Reform Commission released the document titled "Caring for the Elderly and Children, Ensuring Their Well-being" proposing that addressing that issue has become the most realistic, urgent, and prominent issue in people's lives. Longfor Group actively responds to the national policy and proposes a series of measures to address the challenge, integrating support for them into the Company's strategic development and providing a sense of well-being for both the elderly and their children.

The Evergreen Program[10]: Building Age-Friendly Communities

In response to the "Guiding Opinions on Comprehensively Promoting the Renovation of Old Urban Neighborhoods" and the "Guiding Opinions on Accelerating the Implementation of Elderly-Oriented Renovation Projects", the Evergreen Program integrates Longfor's expertise in spatial design and services to deliver aging-friendly renovation projects for old urban neighborhoods. This encompasses the revitalization of community public spaces in older districts, improvement of home environments for the elderly, establishment of community-based elderly service centers, and the facilitation of community care and volunteer services. These endeavors aim to bolster safety, convenience, and contentment for the elderly, while also contributing to the rejuvenation of old neighborhoods and the establishment of welcoming communities.

As of the end of the Reporting Period, the Evergreen Program has implemented 103 projects in 17 cities, including Chongqing, Shenyang, Suzhou, Shanghai, Ganzhou and other cities, helping 136,000 elderly people to enjoy their old age and experience a more secure and convenient living environment.



As of the end of the Reporting Period

The ageing-friendly renovation projects benefited

136,000 elderly people

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

The First Ageing-Friendly Experience Hall of Evergreen Program Debuted in Suzhou

In March 2023, the first Ageing-Friendly Experience Hall of Longfor Foundation's Evergreen Program was officially opened in the Zhuxiang Comprehensive Elderly Service Center in Suzhou New District. The Ageing-Friendly Experience Hall provides a comprehensive representation of aging scenarios, including toilet and bathing safety, indoor mobility, home environment improvement, intelligent monitoring, and follow-up. It allows visitors to proactively experience the outcomes of aging-appropriate transformations and make informed decisions and preparations for aging in their own homes.

The Ageing-Friendly Experience Hall of the Longfor Foundation's Evergreen Program

Bathroom Space Renovation

Intelligent toilet support

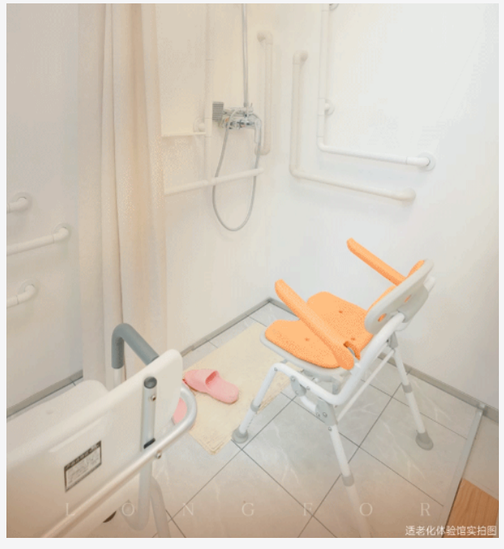
Installing toilet heightening pads to alleviate the need for frequent squatting by the elderly, and incorporating intelligent toilet lids to enhance safety and convenience in toileting.

Handrails

Installing various handrail types (such as straight-line resin handrails, L-type wooden handrails, and foldable toilet handrails) along the trajectory of the elderly to enhance toilet comfort.

Anti-skid facilities

Thoughtfully arranging various types of anti-skid mats in accordance with the living habits of the elderly and providing folding bathing chairs to ensure the safety of bathing for the elderly.



Renovation of an Aging-friendly Bathroom Space

Bedroom Space Renovation

Elderly-friendly beds

Incorporating a design with a lower height to facilitate easy daily access for the elderly; equipped with electric anti-decubitus air mattresses to significantly reduce the incidence of hemorrhoids; adding guardrail handrails and removable assisted rising handrails to prevent falls during sleep and assist the elderly when standing up.

Electric two-function nursing beds

Equipped with remote-controlled head and foot adjustments, anti-fall guardrails, and movable small table boards, providing convenience for daily care of the elderly and ensuring their safety while in bed.

Renovation of Aging-friendly Bedroom Space

Kitchen Space Renovation

Elderly-friendly functional cabinets

Incorporating lifting and pulling baskets and condiment pulling baskets without compromising daily functionality, providing greater convenience for the elderly in accessing items from high places, thereby enhancing safety and convenience.

Renovation of Aging-friendly Kitchen Space

Assisted Living Items

Walking aid

Designed to provide convenience for the mobility-impaired elderly in their daily lives.

LED rechargeable magnifying glass

Equipped with LED lights to assist the elderly in seeing clearly at night and in low light conditions.

Intelligent emergency button

Compact and convenient, this intelligent emergency caller enables the elderly to make emergency calls with ease during unexpected situations.

Equipping with Aging-Friendly Living Items

The Evergreen Program Advanced Community Ageing-Friendly Renovation in Chongqing, Shanghai, Shenyang, and Other Locations

In 2023, the Longfor Foundation's Evergreen Program continued to implement community aging-friendly renovation projects. Through discussions, exchanges, and household visits, the "One Household One Plan" renovation initiative was conducted in Songjiang District, Shanghai to enhance the living environment for 266 elderly households by creating a more comfortable, secure, and inclusive space. In addition, during the Reporting Period, the Evergreen Project completed the renovation of old neighborhoods in Chongqing, such as "Lijiatuo Street Hejian Community", "Baosheng East Road Community and Ping'an Community Project". In Shenyang, the renovation of Qingquan Community Square in Shenhe District was completed and put into use. The projects combined gardening, oxygen-enriched fitness, leisure and socializing with other functional scenarios to create and incorporate a number of people-friendly details to better meet the needs of the surrounding elderly for leisure and recreation.

Lijiatuo Street Hejian Community Project, Banan District, Chongqing

"One Elder and One Child" Friendly Community Building: Creating an Inclusive Community for the Elderly and Young People

Longfor Foundation actively explores the development of elderly and child-friendly communities. It prioritizes the physical and spiritual well-being of the elderly and children, offering them warmth and companionship through the "One Elder and One Child" friendly community project. This initiative aims to foster the creation of high-quality communities in the modern age. In 2023, the Longfor Foundation and the China Philanthropy Research Institute of Beijing Normal University collaborated to launch the "One Elder and One Child" Friendly Community Program. This program will be implemented as a pilot in a minimum of 10 communities across Beijing, Chongqing, and Shenzhen. The project focuses on various aspects of community service, including the development of standards for constructing elderly and child-friendly communities, the creation of community-friendly spaces, capacity-building, and the design and implementation of service programs. These efforts aim to enhance the quality of life and meet the specific needs of the elderly and children, resulting in the establishment of safe, healthy, cultured, and self-governing communities. 7 space renovation programs and 11 "One Elderly and One Child" community service programs have been successfully implemented under the guidance of the municipal civil affairs bureaus.

In 2023

Formulated space renovation programmes

7

Launched the "One Elderly and One Child" community service programs

11

Health Events for the Elderly in "One Elder and One Child" Friendly Community

From September to December 2023, the "Guarding Their Memory for Love" cognitive care service for the elderly and the "15-minute Learning Circle Series" were conducted in the KeYu community in Haidian District, the XiuJuYuan community, and the AnHuiDongLi community, both situated in Chaoyang District. A total of seven activities were organized, benefiting over 200 elderly individuals. The events included initial screenings for cognitive disorders, educational sessions on cognitive disorders, dance healing, cardiovascular prevention, and free clinics. These services helped the elderly gain insights into proper health and body functions, discover methods for regulating exercise, and develop a primary defense against cognitive dysfunction and cardiovascular disease.

Furthermore, the Xiujuyuan Community hosted the "Love and Accompaniment - Spiritual Care in the Community" program, uniting over 20 elderly community members to discuss strategies for coping with aging, illness, loneliness, and the fear of death. This initiative also provided an opportunity for volunteers to learn how to offer top-quality companionship to elderly residents and promote the culture of filial piety within the community.

"Guarding Their Memory for Love" Cognitive Care Service for the Elderly

Children's Councils in Chongqing's Center Bay Community

Between September and November 2023, the "One Elder and One Child" Friendly Demonstration Community in Shapingba District, Chongqing Municipality, facilitated a Children's Council to assist children in recognizing and reporting public safety issues in the community. As a result of their community exploration, the Children's Council identified several safety hazards such as potential injuries from the basketball court periphery, slopes in flowerbeds, and water on the road. They utilized mind mapping to develop an action plan and subsequently drafted the Community Safety Notice. Placing safety warning signs in identified areas, the children disseminated the notices to the community.

The Children's Council has evolved into a regular event in the Center Bay community. In December, a new topic "I Make My Community Greener" was launched on the Children's Council activity agenda. This series of activities enables children to explore various subjects, encouraging them to recognize and reflect on life's challenges, gradually fostering their problem-solving abilities and sense of community belonging.

Children's Council on " Make My Community Safer"

The Smiley Bud Program[11]: Focus on Health Concerns

The Smiley Bud Program offers disease screening, assistance for major diseases, and post-operative rehabilitation for children with serious illnesses from families facing difficulties. It also provides pediatrician training and other support measures in areas with limited medical resources to ensure timely and efficient medical assistance for affected children. This aids in enhancing primary medical care in these areas and facilitates early detection and treatment of serious illnesses, thereby enabling children to access quality treatment without leaving the province.

As of the end of the Reporting Period, the Smiley Bud Program has successfully rescued a total of 602 severely ill children and has offered complimentary diagnosis and screening services to more than 107,000 children and provided training to over 350 frontline medical personnel through its core initiatives, including screening for children with major illnesses, assistance for severely ill children from disadvantaged families, and training for grassroots pediatricians.

As of the end of the Reporting Period

Cumulative assistance for children with serious illnesses

602 children

Provided complimentary diagnosis and screening services to more than

107,000 children

Trained more than

350

frontline medical personnel

The Smiley Bud Program Carried Out Volunteer Screening and Doctor Training for Children's Critical Disease across China

In 2023, the Longfor Foundation initiated the Smiley Bud Program in 11 cities, including Daguan County, Zhaotong City, Yunnan Province, Luyi County, Zhoukou City, Henan Province, Inaccessible County, Ganzi County, and Dianjiang County, Chongqing Municipality. The project conducted volunteer screening for major childhood illnesses and provided doctor training. It collaborated with Yan'an Hospital of Kunming City, Beijing Huaxin Hospital, and other volunteer hospitals and local governments to screen over 95,000 children for critical disease and train 54 doctors. Medical social workers assisted diagnosed children in applying for the Longfor's Smiley Bud Program and undergoing relevant procedures for subsequent examination and surgical treatment.

The Smiley Bud Program–Free Diagnosis and Screening of Children's Critical Disease in Henan

Serious illnesses medical screening covers

95,000 children

Provided training to

54 medical personnel

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

The Smiley Bud Program - Wish Adoption on International Chidren's Day

On the eve of International Childrens Day, the Longfor Foundation's Smiley Bud Program launched the "Wish Adoption on June 1 - Shimmering Light to Get Your Wish" in collaboration with partner hospitals nationwide. The event attracted over 300 volunteers from 30+ cities across China to participate in the wish adoption. On the day of the festival, volunteers from 15 cities, including Beijing, Shanghai, and Chongqing, visited local partner hospitals. Through a variety of thematic activities, they conveyed blessings and distributed gifts to children with serious illnesses, helping them fulfill their wishes on June 1, and spending a meaningful Children's Day together.

The Smiley Bud Program - Wish Adoption on International Chidren's Day

The Smiley Bud Program - Doing Good Together on 99 Public Good Day

From September 7 to 9, 2023, the Longfor Foundation initiated the campaign "Smiley Bud Program" - Doing Good Together on 99 Public Good Day. The Foundation partnered with volunteers in various cities to launch the initiative "Donate Together", while connecting key communities, paradise walks, and Goyoo to encourage more people to join the campaign, endorse Longfor's Smiley Bud Program, and aid children with serious illnesses in rebuilding their lives. Throughout the campaign period, volunteers across the country conducted over 10 offline activities, engaging nearly 3,900 caring individuals to donate more than RMB110,000. The Longfor Foundation and Tencent Public Welfare matched these donations, raising over RMB460,000 in total to support the Project.

During the activity

Volunteers nationwide carried out

10 activities

Supported the Smiley Bud Program with a raised fund of

RMB**460,000+**

Facilitating Education

Longfor Group firmly believes that education is the cornerstone of national development, and it is our long-term social responsibility to support students and promote education. We have consistently prioritized the field of education, facilitating the career development of young individuals through school-enterprise partnerships. Additionally, the Longfor-Forbidden City Cultural Fund has been instrumental in preserving and promoting China's rich traditional culture, allowing us to make enduring contributions to the educational and cultural initiatives of our country.

The Flying-Eagle Program[12]: Facilitating Young People's Career Development

The Flying-Eagle Program was initiated in response to the "Circular of the State Council on the Implementation Plan for the Reform of National Vocational Education". This project aims to support the personal and professional growth of individuals while maximizing the potential of secondary vocational schools by assisting students who face academic challenges in completing their compulsory education in accordance with regulations. It also focuses on providing skills training and advancing the development of secondary vocational education in line with government policies.

The Flying-Eagle Program serves as a bridge between support provided during vocational school and assistance given after its completion. In collaboration with seven vocational schools in Chongqing and Guizhou, the project has established "Longfor Flying Classes." During the Reporting Period, the Flying-Eagle Program offered scholarships and financial aid to 724 vocational school instructors and students. Additionally, the project provided literacy courses and organized career camps. Among these participants, over 400 students benefited from psychological training courses, and 139 students attended career courses.

As of the end of the Reporting Period

Number of vocational school teachers and students receiving scholarships and grants	Number of students receiving psychological training programs	Number of students receiving career courses
724	400+	139

The Flying-Eagle Program Career Classes Launch at Three Vocational Schools in Chongqing

The Flying-Eagle Program - Career Course took place from November 8 to 10, 2023, in Chongqing, hosting 139 recent graduates from three secondary vocational schools in two sessions. These graduates were part of the "Longfor Flying Class" of 2024. The course, themed "From Campus to Workplace," covered key topics such as "Managing Stress and Emotions," "Aligning Priorities with Future Goals," "Developing Personal Influence," and "Advancing Your Career Continuously" to provide tailored guidance for the career of vocational school graduates based on their actual needs. During the sessions, students were mentored by Longfor's senior HR trainers, overcoming confusion and constraints to open up, take initiative in thinking, and wholeheartedly engage in the learning process. The "Longfor Flying Class" aims to assist young individuals in developing improved career plans through leveraging Longfor's corporate resources and fostering career growth.

"From Campus to Career" course in progress

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

Supporting Universities[13]: Contributing to the Development of a Knowledge-Based Country

Since 2022, Longfor Group has collaborated with 11 universities, including Tsinghua University and Wuhan University, to collectively explore university development, talent cultivation, education reform, and contribute to the advancement of a knowledge-based society.

Longfor Foundation Sponsored the 10th Tsinghua University President's Innovation Challenge

The final round of the 10th Tsinghua University President's Innovation Challenge, sponsored by the Longfor Foundation, took place successfully on April 30, 2023, at the Jianhua Building of Tsinghua School of Economics and Management. The competition showcased creative and entrepreneurial projects in diverse fields such as internet and IT technology, fintech, healthcare, AI, and sustainable energy, providing a comprehensive platform for students interested in innovation and entrepreneurship to learn, develop, and showcase their teams.

Longfor Sponsored the 10th Tsinghua University President's Innovation Challenge

Longfor Foundation Established "Longfor Scholarship at Wuhan University"

The sixth award ceremony for the "Model Student in Lujia" of Wuhan University took place at the Humanities Hall on May 9, 2023. During the ceremony, the Longfor Foundation presented certificates to exceptional students who received the Longfor Scholarship. This recognition aimed to inspire students of Wuhan University to pursue their aspirations, recognize their value, and actively contribute to the nation's socialist modernization and strength. Moving forward, Longfor will persist in supporting public welfare in education and driving education advancement.

The Sixth "Model Luojia" award ceremony at Wuhan University

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

Cultural Inheritance and Preservation

Longfor Group values traditional culture and actively sponsors diverse projects for cultural preservation. In 2023, Longfor Group contributed to the "National Support for Intangible Cultural Heritage Inheritor Youth Program," supporting various traditional cultural exhibitions and educational projects. Examples include the "Tea World - Special Exhibition on Tea Culture" at the Palace Museum and "The Charm of Song Inscription - Special Exhibition of Rare Stele Calligraphy" at the Palace Museum, to ensure the preservation and protection of traditional culture in the Longfor style.

Longfor Group Supported the Launch of "Tea World - Special Exhibition on Tea Culture"

On September 1, 2023, the Palace Museum hosted the "Tea World - Special Exhibition on Tea Culture," which was supported by Longfor Group. The exhibition was officially opened at the Palace Museum. The exhibition showcases 555 representative collections from 30 archaeological and cultural institutions worldwide. With a distinctive theme and grand scale, it exemplifies the Chinese tea civilization that spans history, regions, and nationalities in a three-dimensional manner. The exhibition aims to facilitate the creative transformation and innovative development of traditional Chinese culture, while also illustrating the harmonious Chineseculture of harmony through the art of tea.

Number of domestic and international archaeological and cultural institutions in this exhibition

30

Number of representative collections

555

The Opening Ceremony of Tea World - Special Exhibition on Tea Culture

Longfor Group Helpped Launch the "The Charm of Song Inscription - Special Exhibition of Rare Stele Calligraphy"at the Palace Museum

On September 15, 2023, the Hall of Literary Glory at the Palace Museum hosted the official launch of"The Charm of Song Inscription - Special Exhibition of Rare Stele Calligraphy." This exhibition, a collaboration between the Palace Museum and The Chinese University of Hong Kong and supported by Longfor Group, displays rare stele and inscription books from the Song Dynasty, "Temple Stele at Mount Hua" by Huayin from the East Han Dynasty, "Sweet Spring Inscription at Jucheng Palace" by Li Qi from the Tang Dynasty, and "Inscription on Chunhua Pavilion" from the Song Dynasty At Maoqin Palace.

The Opening Ceremony of "The Charm of Song Inscription - Special Exhibition of Rare Stele Calligraphy"

Longfor Foundation Organized the 11th Workshop for College Teachers of Palace Studies

On August 4, 2023, the closing ceremony of the 11th Workshop for College Teachers of Palace Studies took place at the Palace Museum in Beijing. The workshop, which was sponsored by Longfor Group, Longfor Foundation, and Beijing Forbidden City Culture Preservation Foundation, concluded successfully. The workshop welcomed participation from 30 teachers representing renowned educational institutions such as the Chinese Academy of Social Sciences, Tsinghua University, Renmin University of China, China University of Political Science and Law, and more. These experts shared their perspectives on various aspects of the preservation of ancient buildings, heritage research, and heritage science protection, providing a comprehensive and in-depth exploration of the Forbidden City. The workshop had the objective of promoting academic research in the field of Palace Studies and advancing the preservation of traditional Chinese culture

In the future, Longfor Group and Longfor Foundation will strengthen communication and collaboration with the Palace Museum through diverse channels, while also encouraging greater involvement in the preservation and promotion of Chinese history and culture.

The 11th Workshop for College Teachers of Palace Studies

Volunteer Service

Longfor Group leverages its resource advantages, actively engages in diverse public welfare activities, and encourages the participation of its employees, owners, and customers in volunteer initiatives. Through the positive impact of charitable endeavors, Longfor Group contributes to societal development while embodying the compassionate spirit of Longfor. As of the end of the Reporting Period, Longfor Group boasts a volunteer force of over 11,000 individuals who have collectively devoted more than 45,000 hours to volunteering.

As of the end of the Reporting Period

Number of Longfor volunteers

11,000+

Total volunteer service hours

45,000+

Volunteer Activities

Longfor Group volunteers participated in the "Accompany with The Elderly" public welfare program during the Chongyang Festival, providing elderly individuals with services such as quilt airing, education on fraud prevention, health clinics, and more. They also conducted the "Enlightenment by Nature, Classroom in Nature" activity for children, aiming to inspire their creativity through the beauty of nature. Additionally, a painting exhibition "Draw a Spring" was organized at the Longfor Cherry Blossom Festival to connect art and charitable causes. Longfor remains dedicated to expanding volunteer initiatives to reach more locations and bring warmth to every corner.

LongXiaohu Nature Classroom – "Inspiring Children to Think with Nature"

In 2023, the LongXiaohu Nature Classroom was successfully carried out in 10 Longfor communities across 8 cities, including Chengdu, Quanzhou, Shenzhen, and Beijing to inspire children to develop critical thinking skills through natural knowledge and foster their creativity with the wonders of nature. The initiative attracted the involvement of nearly 300 volunteers consisting of Longfor staff and property owners. These volunteers actively engaged in public welfare activities, such as disseminating natural knowledge, promoting plant adoption, hosting public welfare bazaars, and making donations. These efforts provided vital support to families in need while cultivating a child-friendly community.

Participants from LongXiaohu Nature Classroom

Longfor Group Celebrated the 1120 Longfor Public Welfare Day

From November 20 to December 20, 2023, Longfor Group organized a month-long "1120 Longfor Public Welfare Day" nationwide. The event, themed "Love Without Boundaries, Good Deeds Go a Long Way", sought the active participation of employees, customers, partners, and caring community members.

In 2023, Longfor enhanced the frequency of Public Welfare Day, elevating it to a monthly celebration. More than 500 public welfare activities were organized nationwide, with close to 4,000 employee volunteers participating and over 50,000 members of the public involved. Nearly 4,000 hours of volunteering effort were accumulated, providing warmth to the community.

Number of organized charity events

500+

Number of employee volunteers attracted

nearly 4,000 volunteers

Number of public participants

50,000+

Accumulated volunteer service hours

nearly 4,000

"1120 Longfor Public Welfare Day" Celebration

Assisting the Elderly and Disabled

Longfor Group has a strong commitment to making a positive impact on society, particularly through supporting the elderly and disabled individuals. Since 2019, the Longfor Foundation and Chongqing Foundation for Disabled Persons have collaborated on the project "Assisting Rural Revitalization, Helping the Disabled to Increase Income and Prosperity". This initiative focuses on providing training in farming techniques for rural disabled individuals and offering labor support to enhance their income. The Group also actively engages in volunteer activities to offer compassionate care to people with disabilities.

"Older with a Plan" Care Package Distribution

The "Older with a Plan" Elderly Care Package, initiated by the Longfor Foundation, aims to enhance the comfort and safety of elderly individuals at home. This package includes an oximeter, a walking stick, a sensory night light, a massage comb, a kitchen timer reminder, a key reminder, and an anti-lost key device. It serves as a com-plementary feature to age-friendly home renovations, offering lightweight support to a broader range of elderly individuals in need. During Longfor Public Welfare Day, volunteers in nine cities, such as Beijing, Guangzhou, and Zhengzhou, collaborated with local communities to distribute the Elderly Care Package to over 600 elderly individuals with disabilities, special needs, and those living alone, providing thorough product usage explan-ations.

Distribution of "Older with a Plan" Elderly Care Package

Public Welfare Activity "Walking with Love - Paper-Rolling Painting for the Disabled"

From May to June 2023, Longfor Group and the Fujian Volunteer Service Center collaborated on the public welfare activity titled "Walking with Love - Paper-Rolling Painting for the Disabled." Led by teachers, dozens of volunteer families from Longfor and friends with disabilities came together to create paper-rolling paintings. These paintings were then transformed into canvas bags, mugs, and other merchandise for display and charitable sales. This activity fostered greater understanding between volunteers and individuals with disabilities while enhancing the quality of life for disabled friends.

Moving forward, Longfor Group's volunteer team plans to establish a long-term service base at the Fujian Federation of the Disabled. They will mobilize owner volunteers for regular service activities and seek to integrate public welfare initiatives into community-based parent-child education and welfare culture.

Public Welfare Activity “Walking with Love - Paper-Rolling Painting for the Disabled”

Flood Relief

In August 2023, the residual circulation of Doksuri's rain clouds caused severe rainstorms and floods in North and Northeast China, affecting approximately 52.78 million people to varying degrees. In December of the same year, An earthquake measuring 6.2 on the Richter scale struck Gansu Province, resulting in 151 deaths and 983 injuries across Gansu and Qinghai. Throughout 2023, Longfor Group donated a total of RMB2.6 million for flood relief in Fangshan and Mentougou of Beijing, Shijiazhuang of Hebei, and earthquake relief in Gansu, benefiting approximately 26,000 individuals. We have stood together through thick and thin, working alongside the affected areas to overcome these challenges.

Longfor Foundation's Donation to the Mentougou Disaster Area in Beijing

Merchant Support

Longfor Commercial has deeply fulfilled its social responsibility by implementing relief and support policies for struggling tenants with business counseling and rent cut in the post-pandemic period. The Company has announced multiple rent reductions and exemptions in 2023, benefiting over 5,000 merchants. These efforts provided affordable commercial real estate for struggling merchants, which facilitated a smooth transition for them at the conclusion of the pandemic and set a solid foundation for mutually beneficial business operations.

Providing
More Attentive Services

Prioritizing the customer's perspective and utilizing technology as the primary driver, the Company consistently upgrades urban space development, operational capabilities, and service standards to ensure product quality. Longfor deeply commits to delivering exceptional and people-oriented customer service experiences.

ESG Material Topic(s) Responded in This Chapter

- Community Communication and Integration
- Service Quality and Customer Satisfaction
- Customer Informtion and Privacy Protection
- Engineering Quality and Safety
- Technology Innovation

SDGs Goal(s) Responded in This Chapter

Craftsmanship Quality

Over the past 30 years, Longfor Group has consistently upheld the principles of kindness and craftsmanship, viewing property development not only as the construction process but also as the formation of a high-quality life standard. We strive to create high-quality sustainable living spaces through meticulous design, rigorous construction process control, and deep insights into customer needs.

Sound Quality Management System

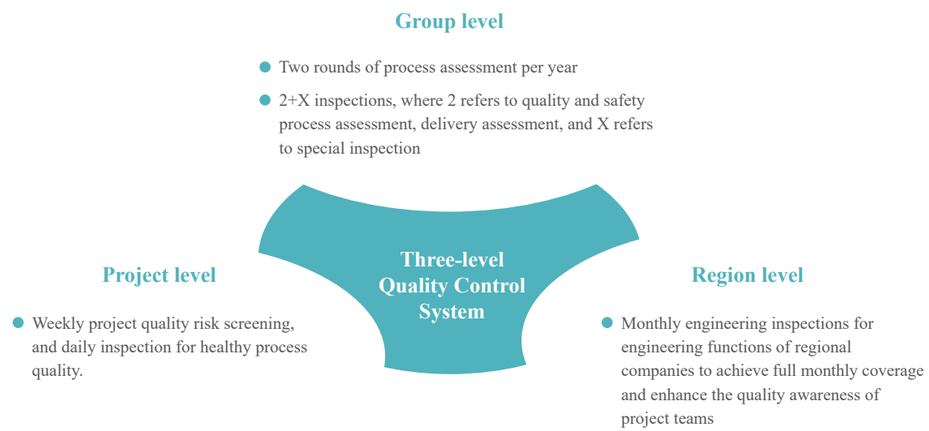
Longfor Group prioritizes product quality and complies with the *Construction Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, the *Regulations on Construction Project Quality Management*, the *Unified Standard for Constructional Quality Acceptance of Building Engineering (GB50300-2013)*, and other relevant laws and regulations. We have also established internal policies and systems like the *Longfor Rework Management System for Completed Housing Projects, Longfor Property Unit-Specific Inspection Management System,* the *Longfor Regulations on Concrete Quality Management,* the *List of Key Management Actions for Project Quality of Longfor Group* to maintain strict control over product quality. In 2023, we further enhanced the Group's quality management system by updating the *Engineering Technology Quality Management System Version 2023* and the *System for Engineering Inspection and Evaluation by Third Party Version 2023.*

Longfor has established a cloud-based group-level inspection team and inspection system to ensure a business inspection closed loop and enhanced efficiency in functional inspections through online supervisory quality focus and customer services improvement.

Under the management requirements of various systems, the Group has implemented a sound quality management process for the selection of materials, construction standards, construction techniques, and acceptance of each stage of production. With three decades of dedication to craftsmanship, the Company has successfully implemented 91 precision craftsmanship methods, fully reflecting the Company's ingenuity and persistent pursuit of building products with precision.

Quality Management Requirements for Each Process Stage

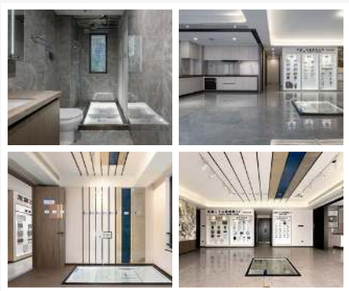
Selection of materials	**Preferred brand:**Placing emphasis on globally recognized and domestic leading brands. **Centralized purchasing:**Selecting over 110 building material categories and engaging with more than 250 brand suppliers.
Construction	**Precision workmanship:**Employing 67 above-ground and 24 underground structures along homeward bound routes. **Construction technology:**Applying new techniques and materials, with full coverage of 74 technologies. **Construction system:**Contains all professional summary of enhancement techniques, with 74 technologies covering civil engineering, mechanical and electrical category, decoration, to fully ensure the quality of construction.
Techniques	**The leakage control system:**7 key management actions and 220 anti-leakage construction nodes make the product more reliable, more comprehensive, more durable and more effective. **The hollowness and cracking prevention system:**Extensively use lightweight plaster as the indoor plastering material, with the goal of achieving "zero hollowness and zero cracking" for green, environmentally friendly, and aesthetically pleasing outcomes. **Home decoration project refinement system:** Formulate 26 process standards, and reinforce 1,008 decoration finishing nodes to ensure standardized decoration management and high quality acceptance and presentation.
Acceptance	**The three-level quality control system:** Conducting four types of process assessments, along with one delivery assessment. Conducting special inspections for key operations. Full-cycle process control encompassing 300+ quality details. **The unit-specific final quality inspection:** Conducting delivery inspections from three dimensions, 10 sub-sections, incorporating 748 inspection subjects, 1,222 key points, and organizing over 100 inspection symposiums. House quality checking from the customer's perspective six months before delivery.



Meanwhile, the Group has set up a quality management system and is actively working on its certification. As of the end of 2023, 23 property management subsidiaries had passed the ISO 9001 quality management system certification, further promoting quality management improvement.

Sunshine Workshop Program

In 2023, Longfor Group continued implementing the Sunshine Workshop program and establishing model bases in over 10 cities such as Beijing, Nanjing, and Hefei. This initiative involves innovating diverse product styles, refining craftsmanship, integrating the five key dimensions of the good housing system, and incorporating more than 100 humanized details to make the process nodes and material selection details clearer. This comprehensive optimization of exhibition methods, content, and homeward bound route ensures a more comfortable and cozy visitor experience and gives them a better feeling of Longfor's unremitting pursuit of high quality.



"Sunshine Workshop" at Longfor

To elevate the professionalism and quality management of our employees and suppliers, Longfor Group guarantees that our team receives regular training programs, focusing on the latest construction technologies, quality standards, and safety codes to stay updated with industry knowledge. The training content emphasizes the sharing of practical experience, fosters team innovation, and supports the Company in delivering reliable products to customers through excellent quality management. Quality and safety training sessions are conducted for all employees and contractors. In 2023, the Engineering Department of Longfor Group conducted several quality and safety training sessions for employees and contractors, with a participation of 780 attendees.

Focus on Quality of Delivery

Longfor has consistently been recognized as one of the "Top 10 Real Estate Developers in China by Comprehensive Strength" for 12 consecutive years. We consistently gather experience in real estate development and produce model products for residential and mixed-use properties, such as Glory of Galaxy, Glory of Thorns, the Light Year, and Diamond, which are widely acknowledged for their exceptional quality. Over the past 30 years, Longfor has developed over 1,200 projects with a total gross floor area (GFA) exceeding 230 million square meters and delivered more than 950,000 housing units. In 2023, Longfor Group delivered approximately 140,000 high-quality housing units, spread across 160 projects in 56 cities throughout China, with around 20% of the projects being completed more than a month ahead of schedule. The overall customer satisfaction rate exceeded 90%.

Longfor Smart&Good Delivery System

In 2023, our efforts persisted in refining the Longfor Smart&Good Delivery System, adhering to the principle of "delivering newness for sincerity", advancing the essence of craftsmanship, and understanding customers' desires for an enhanced quality of life. We established a delivery system that encompasses the three primary value dimensions of "New Residence", "New Home", and "New Life" to offer comprehensive services throughout the life cycles[14].

Exciting	Genuine	Harmonious
New Residence	**New Home**	**New Life**

Concept Model of Longfor Smart&Good Delivery System

[14] An introduction to the full lifecycle services of the Longfor Smart&Good Delivery System can be found in Longfor Sustainability Report 2022.

Longfor's High Quality Delivery Cases in 2023

Wuhan Skyline Project

In 2023, the Skyline Project at Wuhan offered high-quality housing options along the Yangtze River, made possible by meticulous site selection, scarce resource amenities, and renowned brands,and was awarded the CRIC Top 10 Luxury Home Deliverables in 2023. The Skyline Project was delivered 6 months in advance to meet the expectations of consumers with the action of handing over the room and handing over the certificate.

Tianjin Tianyao Project

Longfor Tianyao, situated in Meijiang, Tianjin, boasts a total GFA of 68,000 square meters and positions itself as the pinnacle of luxury houses in the city. It has garnered 8 international awards for its product design. The project was successfully delivered in May 2023, maintaining Tianjin's exceptional characteristics and ushering in a new era of urban sophistication.

Chengdu Waterfront City Lake Project

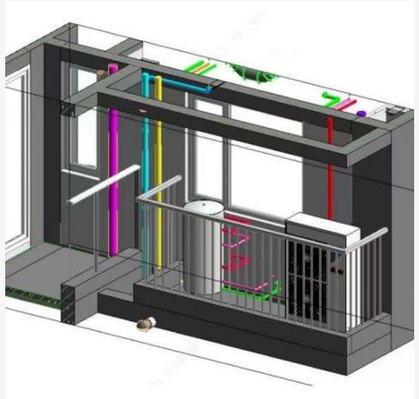
Located in the heart of Xinchuan, Chengdu High-tech Zone, Chengdu Waterfront City Lake Project takes advantage of the scarce lakefront resources, offering a 270° lake view of the entire Central Park. The project was successfully delivered in 2023 with the simultaneous provision of property certificates, achieving a 100% overall satisfaction rate. It has been honored with awards like the Western China (Chengdu) Real Estate Deliverability Demonstration Project, receiving widespread recognition in the industry.

Technology Empowered Products

Longfor Group integrates its experience in developing all business formats and industry-leading digital technology capabilities to provide robust support for the construction of smart cities. Our digital products have been applied to the real estate development, construction, and property management processes, covering commercial, residential, and office buildings to elevate Longfor Group's digital proficiency comprehensively.

Building Information Model (BIM) technology was applied to real estate development

Longfor Group fully utilizes building information model (BIM) technology by employing it for the three-dimensional virtual simulation of diverse above-ground and underground space designs. This approach facilitates the optimization of space utilization and aesthetic design by avoiding in-home fiber optic pipelines and wires and incorporating lane pipeline upturn to achieve maximum space utilization and aesthetic design. Furthermore, BIM models are adept at integrating construction data and other data, allowing for quick display on mobile devices and enhancing the enterprise's comprehensive management capabilities. In 2023, the positive BIM coverage rate at the project level has reached 91%, further propelling the Company's intelligent investment and construction processes.



3D Simulation of BIM Technology Application

Goyoo Operation Management Platform Using Intelligent Device and AI Technology

Goyoo operation management platform integrates intelligent devices and AI technology to automate the dispatch of quality inspections and the IBMS[15]-X fire alarm detection operation for operations officers in stores, significantly enhancing store operators' operational efficiency and quality, as well as customer satisfaction.

- Automatic Dispatch of Quality Inspection Order: Utilizing the AIoT[16]'s Wise Eye intelligent device, the platform precisely scans the environmental quality within the service area. Upon detection of substandard conditions, the system automatically generates work orders and dispatches them to the relevant operations officers. The work order is then closed automatically once the operator completes the sanitation service in the public area.
- Automatic Detection of IBMS-X Fire Alarm: Leveraging IBMS-X's intelligent devices, the platform accurately identifies and triggers fire alarms to address fire alarm situations. The system automatically closes the work order when the operations officer eliminates the potential danger at the fire detection point.

Application of Smart Services for Various Property Types

Residential Buildings	Park Signature in Chongqing employed the U Xiangjia App to address various service needs with a single click, successfully completing 5,391 tasks punctually.
Commercial Buildings	Lijia Paradise Walk in Chongqing utilized intelligent building, energy, and security systems to achieve online integration and control of system energy consumption and security inspections. This improved the time and efficiency of routine project inspections by 20% while yielding a 15% higher annual energy saving compared to similar projects.
Office Buildings	Chengdu Jiachen International Center employs the Xiaodangjia App to manage over 30 business service scenarios online, enhancing employee efficiency by addressing an average of 400 user reports and completing 455 task work orders monthly.

[15] Intelligent Building Management System

[16] AI+IoT means Intelligent Internet of Things (IOT)

Sincere Service

Longfor Group is committed to the business philosophy of "for you forever" and establishes a high-quality development model that prioritizes customer experience and enhances the quality of customer service.

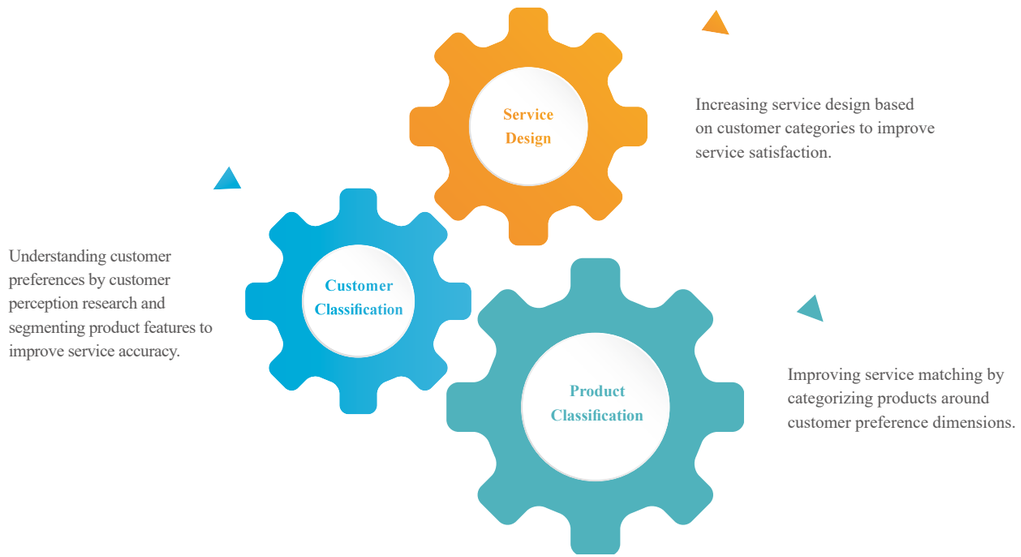
Robust Service System

Longfor Group upholds the corporate philosophy of "thinking what customers think", consistently refines the customer service system and communication process, and implements various initiatives to boost customer satisfaction, ensuring a superlative customer experience throughout the entire service process.

Customer Service System

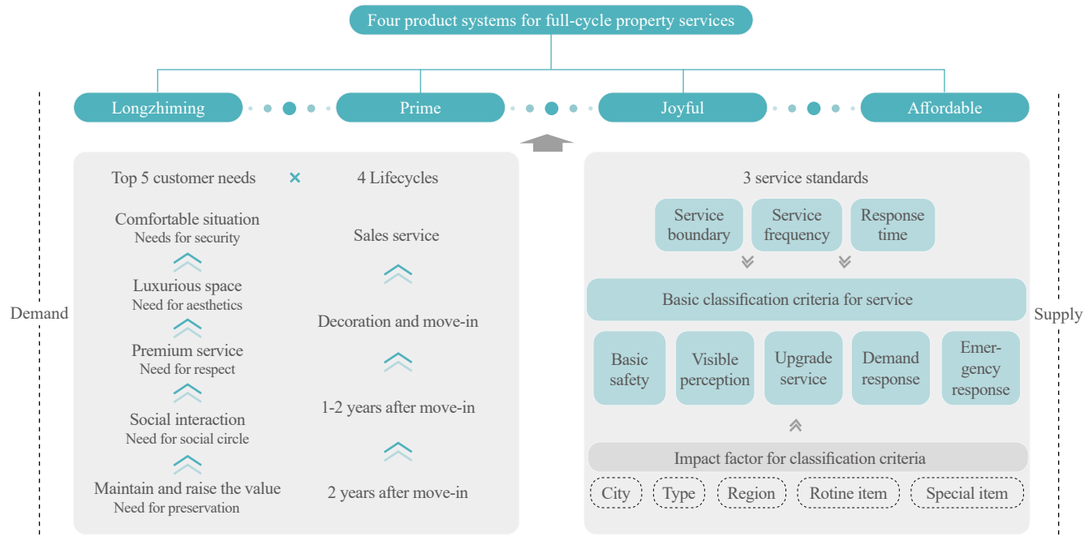
The Group has developed internal systems and guidelines including the *Operational Guidelines for Customer Interviews*, the *Management Measures for House Delivery Evaluation*, and the *Graded Service Work Standards*, and continuously updates its customer service system. In 2023, the Group updated the *Management System for Customer Satisfaction in the Real Estate Headquarters*, the *Management Measures for House Delivery Evaluation in the Real Estate Headquarters*, and the *Management System for Compensation in the Real Estate Headquarters*. Additionally, it focused on business activities, enhanced regional delivery rates, standardized the compensation process, and continuously refined the standardized and institutionalized service system.

We have established a sophisticated service system epitomizing the Longfor brand's attributes through the three core dimensions of "customer classification," "product classification," and "service design," aiming to address the diverse needs of our customers. Concurrently, we diligently assess customer requirements and enhance numerous service initiatives based on their basic, aspirational, and excitement-driven needs. This approach has significantly bound the Company closer to its customers.



Customer Segmentation and Product Selection Strategy Model of Longfor Group

We have developed four product systems for full-cycle property services, deeply analyzed the five core needs of our customers, and set up three service standards for various stages of customer service to provide customers with joyful, prime, and affordable experiences.



Building Smart Customer Service

Seizing the opportunity for innovation and development, Longfor Intelligent Living team has successfully integrated AI technology with customer service, resulting in the creation of an intelligent customer service platform. This platform undergoes constant upgrades in response to user needs, thus delivering a smarter and more convenient customer service experience. The customer service system has transitioned to an efficient online and offline linkage mode through the establishment of the access to code-scanning consultation and optimization of the display format of the access, and an increase in the number of offline consultation points.

Simultaneously, Longfor Group maintains its focus on nurturing warmth and goodwill. Specifically tailored to meet the needs of elders who are not yet accustomed to smartphones, the Company provides round-the-clock, personalized customer service to ensure timely assistance. This integrated use of technology and personalized care significantly enhances customer satisfaction and experience.

- Scan code for consultation
  Online customer service
- Online and offline services
  Efficient linkage
- Online consultations
  More prominent access
- Offline consultation services
  More options for reporting

Longfor Commercial Launched Digital Intelligent Customer Service Products

In step with the evolution of the times, Longfor Commercial has proactively combined customer service with digital intelligence by launching a suite of mini programs and applications such as the Longfor Xiaotian APP and the Longfor Paradise Walk Mini Program[17] to offer extensive and meticulous services to tenants and customers.

Customer Complaint Management

Longfor Group continues to build customer complaint channels and has formulated and released several internal systems and measures for customer complaint management, such as the *Longfor Major Group Lawsuits and Major Complaints Management Measures,* the *Longfor Property Management Complaint Management Procedures,* the *Longfor Guidelines for Handling Commercial Real Estate Complaints,* the *Real Estate Headquarters Customer Complaint Management System,* the *Group Goyoo 400 Hotline Customer Service Notification Operation Standards,* the *Group Goyoo Public Opinion and Customer Complaint Risk Management Specification,* the *Group Goyoo Crisis Management Guideline*, etc. The Company has updated the *Goyoo* and *Hotel Headquarters the Goyoo Operation Redline System 2022* and other institutional policies to actively respond to customer demands and improve customer satisfaction.

Longfor Group has implemented a structured process to address customer complaints, tailored to the specific nature of each complaint. This method mandates all staff to courteously and patiently resolve issues using a six-step process involving polite greetings, record-keeping, apologies, timely resolution, and documentation.

Longfor Goyoo's Structured Process to Address Customer Complaints

- **Operations Officer**
  - **Store Manager**
    1. Dealing with tenant's first complaint
    2. Dealing with regular complaints
    3. To make tenants satisfied without further complaints
  - **Head of Asset Management Business Sectors**
    1. When the operations officers fail to deal with the same complaints twice
    2. When customers file complaints on the Company's reception, internet, media, and governmental platforms
    3. When customer complaints about the attitude of the operations officers and employees
  - **Relevant Personnels at Group Level**
    1. When customers file complaints on media and governmental platforms
    2. When customers file complaints and claims in the form of legal letters
    3. When business losses and compensation are involved
    4. When complaints involve casualties (of customers and employees)

[17] "For details of the functions of the Longfor Xiaotian APP and the Longfor Paradise Walk Mini Program, please refer to page 36 of Longfor Sustainability Development Report 2022

We have established various complaint avenues, including the U Xiangjia service account, the service quality supervision hotline (400), the Group's official website, reporting email, and the Longfor U Xiangjia App. These channels aim to facilitate the collection of comprehensive customer feedback and ensure efficient resolution of complaints. In response to customer grievances, different business sectors within the Group have undertaken multiple measures based on the principles of timeliness, integrity, and professionalism to consistently enhance service quality and surpass customer expectations. In 2023, Longfor Group handled 49,000 customer complaints, achieving a completion rate of 71%.

Directions to Customer Satisfaction Improvement

Perceived service		High quality products		Assured project		Key customer groups
Reflecting warm service	+	Implement high-end product standards Create real-life scenarios to assure customers what they see is what they get	+	Strengthen bottom-line management Strictly prevent mass incidents	+	Design grading customer service system Implement product brand service standards

Customer Satisfaction of Longfor Group in 2023

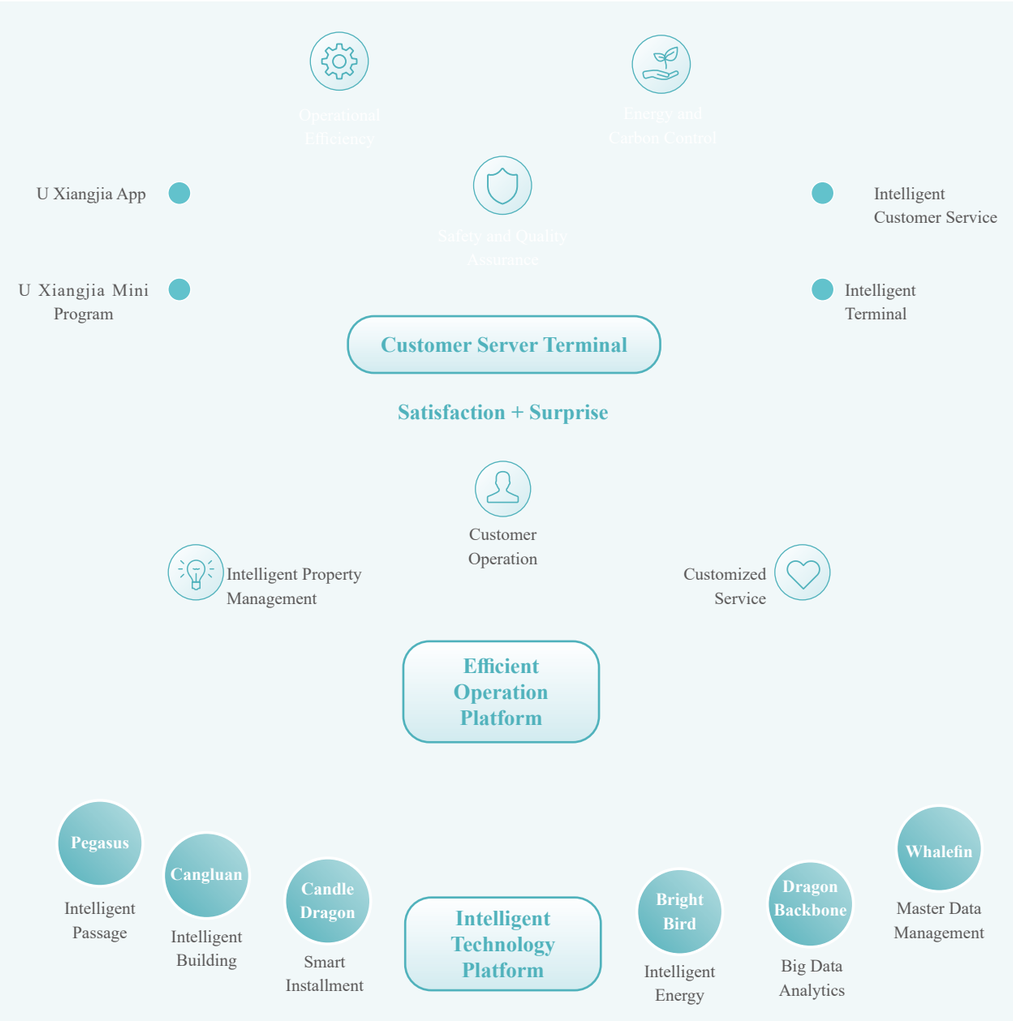
Overall customer satisfaction rate	Increase compared to 2022
91.2%	**1.2%**

Measures of Customer Satisfaction Improvement

High-quality products and services	Ensure the quality of products and services meets or exceeds customer expectations, continuously improve and innovate to meet the constantly changing customer needs
Good customer experiences	Think from the customer's perspective and optimize business processes to ensure that customers can have good experiences at every stage of interaction with the enterprise
Personalized services	Provide personalized products and services based on individual differences of customers, allowing them to feel the care and respect of the Company
Continuous improvement	Regularly evaluate customer satisfaction, analyze customer feedback, identify areas for improvement, and continuously optimize products and services
Employee training	Strengthen the training of property management staff, and enhance their awareness of service and professional skills, in order to provide better customer service

Digital and Intelligent Services

Longfor Intelligent Living, as the central force driving Longfor Group's digital transformation, has evolved the Company's approach to technological innovation from early technology enhance ments to the development of a comprehensive technology management platform. Currently, Longfor Intelligent Living has introduced a full suite of technology operation and maintenance platform solutions across the smart technology platform, efficient operation platform, and customer service end. This strategic direction, centered on addressing tailored user needs, facilitates the intelligent operation of cities, parks, communities, and buildings, ultimately contributing to property owners and customers' good life.



Overall Conceptual Map of Longfor Intelligent Living's Digital and Intelligent Development

Introduction to Longfor Intelligent Living's Digital and Intelligent Development

Smart technology platform	**This platform achieves intelligent human-machine collaborative services with AIoT+big data** Longfor Intelligent Living leverages advanced technological hardware and capabilities such as the Internet of Things, big data, and AI to establish a smart technology platform that facilitates real-time end-to-end information collection and control among different devices, creating an online digital twin of offline communities.
Efficient operation platform	**This platform empowers high-quality and efficient spatial services through digital process operation** This platform empowers and connects various business operation platforms such as smart property management, customer operation, and customized services. The connectivity between space and operation services establishes human-machine collaborative service capabilities, significantly enhancing the quality and efficiency of spatial operations.
Customer server	**Multi-channel online services to create a satisfying and surprising customer experience** Multi-channel online services provide one-stop convenient services for space users and managers, thereby creating a satisfying and surprising customer experience

Full Smart Service Process

Smart Development | Services During Construction Period	• Construction consulting	• Engineering quality assessment	• New sales installation
Smart Delivery | Service During Delivery Period	• Delivery services	• Third party evaluation of property engineering	
Smart IoT | Services During Operation and Maintenance Period	• Repair management	• Energy saving renovation	• Smart property
	• Repair and improvement	• Elevator maintenance	

In the past 25 years, while continuously deepening residential housing services, Longfor Intelligent Living has expanded its services across various sectors, including residential, commercial, office buildings, industrial parks, corporate headquarters, urban services, hospitals, public venues, schools, transportation stations, elderly care, cultural tourism, hotels, and rental apartments. The Company has been successful in achieving customer recognition through the delivery of high-quality services with satisfaction and surprise. To ensure service quality, a new mechanism for the Group's quality inspection has been implemented. This new approach has replaced the traditional offline inspection model, introducing a combined method that integrates offline inspection, remote video patrol inspection, online daily supervision, AI automatic identification, and other techniques, resulting in comprehensive improvements in the efficiency and scope of quality management at all levels.

Community Service

The "Beauty Life Plan" is an exclusive value-added service provided by Longfor Intelligent Living for resident families, which includes two distinct initiatives: "Community Maintenance" and "Household Renewal". The former focuses on continuously enhancing the park's ecological environment and establishing a new interactive outdoor space for permanent residents, while the latter aims to improve the residents' living environment and indoor quality of life. In 2023, Longfor expanded the "Beauty Life Plan" service across all business formats, enhancing its diversity. "Longmin" not only continues to have access to the longstanding daily renewal service but also now has the freedom to choose from additional value-added benefits.

In 2023, the “Beauty Life Plan” refurbished 28,171 meters of sidewalks, repaired 19,438 streetlights, rejuvenated 22,152 square meters of children's recreational areas, and introduced 878 wellness facilities and 2,266 access control systems nationwide.

Longfor's "Beauty Life Plan" Theme for Renovation in 2023

In 2023, Longfor Group's Chongqing Company made a total investment of RMB 8 million across 24 projects. The renovation theme, "safe, assured, fresh", aligns with the concept of "heartfelt service" and is classified into three categories. The first category centers on assured housing, which involves improvements in facilities and buildings, enhancement of community living comfort, and the assurance of a pleasant living environment. The second category focuses on rejuvenation, being both functional and promotional, with an emphasis on creating visual impact. The final category concentrates on comfort, prioritizing the collective voice and needs of homeowners, meeting the broad audience requirements and ensuring high frequency of use.

Longfor "Beauty Life Plan" in Chongqing - Chongqing Nanyuan Windmill Re-operation

Reassuring Guarantee

Longfor Group upholds the belief that acts of kindness have a lasting impact. We value every customer and are dedicated to enhancing our services for them. Our commitment is reflected in the establishment of a responsible marketing system, stringent protection of customer privacy, and prioritization of customer health and safety. We are unwavering in our dedication to cultivating an improved and safer living environment for our customers.

Responsible Marketing

Longfor Group prioritizes responsible marketing as a crucial element for the sustainable development of business. The Company ensures the veracity and effectiveness of its promises to customers through the establishment of a robust management mechanism and process.

The Group strictly adheres to the *Advertising Law of the People's Republic of China* and other relevant regulations, continuously developing and improving internal policies such as the *Longfor Group Responsible Marketing Policy*[18] and the *Marketing Red Line Behavior Commitment*. In 2023, we updated the content of the *Marketing Red Line Behavior Commitment*, adding ten new behavioral constraints to strengthen employee management concerning business ethics, encompassing sales compliance, related party transactions, and ethical conduct. Furthermore, the Group expanded the *Marketing Alert Book* library to 37 items to assist employees in regulating their behavior more effectively.

The Group has set up a systematic risk identification process and developed 23 marketing risk control models to conduct monthly responsible marketing audits. The self-inspection objectives, scope, content, and control recommendations are publicized in the format of reports to aid in reducing marketing risks. In 2023, a total of 521 business self-inspections were completed across the Group, of which 62 were completed by the Group and 459 were completed by regional companies, with a correction rate of 100%.

To ensure the standardized implementation of responsible marketing in regional companies, a mystery customer inspection mechanism is established to assess marketing standardization and compliance through both open and unannounced visits. The mystery customers evaluate the home salesman's performance in the appraisal process, including their communication and promises, with awards and penalties issued based on regional companies' final appraisal scores. In 2023, the Company conducted a total of 528 monthly inspections, identifying 2 new risk scenarios. These were promptly addressed, thus enhancing the quality of marketing risk control.

Mystery Inspection Mechanism

◆ The inspection is divided into two types of visits: Open visits and Unannounced visits.

Open visits:focusing on the image and behavioral norms of consultants, property management staff service standards, and the quality and hygiene presentation of the sales site. Ensuring compliance with on-site sales materials/documentation, promotional displays, and delivery standards.

Unannounced visits:focusing on reception norms and compliance (such as public announcement explanation), professionalism in the step-by-step reception process, and risk control related to sales/delivery commitments, which includes commitments such as price increases/reductions, project commitments to pedestrian-vehicle segregation, catering in retail shops without flue, and commitments to nonconforming delivery standards/facade/materials.

◆ Inspection frequency: Monthly

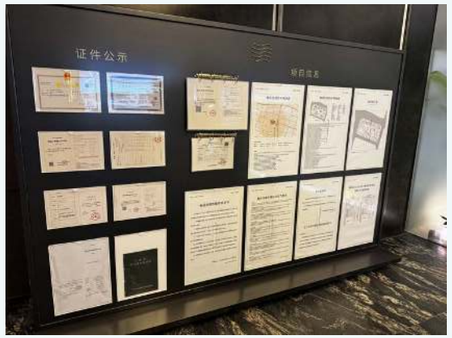
[18] https://www.longfor.com/upload/file/2023-04-24/aa3ae95e-2826-4553-bd14-39261a71bf42.pdf

Longfor Group has set up both internal and external reporting channels. It continuously monitors employees' non-compliant behaviors at work through hotlines, mailboxes, and other online platforms. Internal employees are able to anonymously report any violations of the *Marketing Red Line Behavior Commitment* through the Lafeng Online platform. The Company carefully verifies the content of the reports and ensures the protection of the reporter's information, thus fostering a fair working environment.

In addition, the Group protects customers' right to information and promotes a fair and transparent marketing atmosphere by making public announcements throughout the sales process to enhance customer engagement. Furthermore, the Company establishes external reporting channels so that customers can anonymously report any non-compliant commitments during the housing purchase process, acceptance of gifts, or any behavior that may compromise their interests. Longfor Group will conduct thorough investigations, publish the results, and implement corrective measures to enhance service quality.

Longfor Group's Initiatives to Protect Customers' Right to Information

- Publish the sales contract signed by the customer at the sales venue (including a full set of signed materials such as delivery standards)
- Publish the unfavorable factors inside and outside the redline of the project
- Show the unfavorable factors around the houses on the sand table
- Give on-site tips about payment to the regulatory account
- Timely update on the project progress on Longfor's U Xiangjia mini program
- Continuously operate external reporting hotline and e-mail



Various Responsible Marketing Publicity at Longfor Group

Longfor Group offers a variety of responsible marketing training programs to promote employees' commitment to ethical marketing practices during their work and service. These training courses cater to marketing staff at different levels and are delivered through both online and offline platforms. In 2023, the Company conducted several responsible marketing training sessions such as the Training Camp in Segments, "Outbound Call Speech Training", and "New Risk Control Employee Training". A total of 75 regional risk control training sessions were completed, with a participation of 6,289 employees.

Customer Privacy Protection

Longfor Group strictly 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 to strictly protect customer privacy and data security. In 2023, the Company newly released the *Platform Empowerment Personal Information Protection Management System 2023, Platform Empowerment Personal Information Security Incident Emergency Response Plan Provisions 2023, and Platform Empowerment Privacy Policy Compliance Key Points and Guidelines for Writing* 2023, to further promote the development of the privacy security system and to build a solid barrier of protection for the privacy security system.

Led by various privacy protection systems, Longfor Group has established an information security management structure and carried out risk response initiatives according to each stage to comprehensively improve the Company's information security protection.

Longfor Group Information Security Management Structure and Responsibilities

Longfor Group's Board of Directors	Oversee and coordinate information security-related work at a high level.
Security and Innovation Department	Serve as the highest supervisory body responsible for conducting regular security audits, compliance investigations, and other related tasks, with reports directly submitted to the Board.
Security Team of Digital Intelligent Engine Operation and Maintenance Center	Responsible for security systemization, security operation, anti-attack emergency response, and regulatory cooperation.

Longfor Group Information Security Protection Initiatives by Processes

Hack prevention:the Company establishes a dedicated security team to implement DevSecOps (Development Security Operations) practices throughout the application system's development, operation, and maintenance processes. This includes involvement in product project approval and architectural design phases to conduct security reviews and provide guidance. The team also delivers security development specifications and conducts manual testing and periodic scanning of the application system hosts and Apps before they go online, to minimize security vulnerabilities and reduce the risk of hacks.

Hack monitoring:the security team has implemented a 24/7 security monitoring mechanism to oversee network traffic, Host Intrusion Detection System (HIDS), Endpoint Detection and Response (EDR), and other traffic. This arrangement enables the prompt detection and response to abnormal hacking behavior. Any irregular behavior can be quickly identified and alerted.

Hack response:when a hack is discovered, professional security personnel take immediate measures, such as blocking the IP of the attack source, and isolating or shutting down affected systems/devices, to prevent further infiltration and proliferation by hackers.

System recovery:regularly back up critical data and ensure that the backup data is isolated from the main system. This practice enables data to be promptly recovered after the hack.

Review:after an intrusion incident occurs, the incident will be traced back to the attack and comprehensively reviewed to identify the mode and scope of hacking, identify security vulnerabilities and weak points, and carry out targeted repair and reinforcement of the discovered security vulnerabilities, including updating the system, disabling unnecessary services and strengthening access control, etc.

Security Response Center (SRC) operation: Longfor's Security Response Center (SRC) is set up to host SRC activities, check and report vulnerabilities and promptly give repairs, review vulnerability issues, and verify and optimize security testing work.

Security audit:conduct regular security audits on system accounts, permissions, logs, and processes.

Collaboration wit supervisory bodies:handling security incidents in accordance with regulations and compliance standards, including collaboration with law enforcement agencies.

We safeguard the privacy and security of our customers. Internally, we implement measures such as anonymizing customer information and restricting access to and import of key customer data to prevent any unauthorized customer privacy exposure. In 2023, the Group did not experience any incidents of customer data leakage.

We have established an online learning platform offering 21 information security training courses, including Longmen e-stack security awareness and data security system, to raise employees' awareness of information security and foster a culture of information security protection. Additionally, various initiatives such as open information security knowledge week, technical training, and internal sharing sessions are organized to comprehensively promote the development of an information security culture within the organization. In 2023, Longfor Group conducted a total of information security training sessions covering privacy and personal information protection under the Civil Code, data security management, information security use, and information security data, reaching a total of 3,263 individuals.

Longfor Group's Online Security Course

Longfor Group has received several accolades for its cybersecurity efforts. Specifically, both the Company's information system, Qding Net, and the HIS system of the Internet Hospital of Youyou Baby Maternity Hospital have successfully achieved a Level 3 rating in the National Information System Security Level Protection Assessment.

Qding Net System Obtained Information Security Level 3 Certificate

HIS system of the Internet Hospital of Youyou Baby Maternity Hospital Obtained Information Security Level 3 Certificate

Protecting Customer Health and Safety

Longfor Group has a strong emphasis on ensuring the health and safety of its customers, and it is devoted to establishing a secure living environment that provides peace of mind for its clientele. We develop internal management manuals, like the *Goyoo Security Service Standards*, in order to bolster oversight of visitor management, courier and takeaway management, fire prevention and inspections, as well as emergency procedures.

In order to cope with emergencies such as fire safety and extreme weather, we have actively taken a number of measures, including conducting emergency drills, carrying out hazard assessments, and disseminating safety information to enhance the community's resilience to risks and fortify safety within the community.

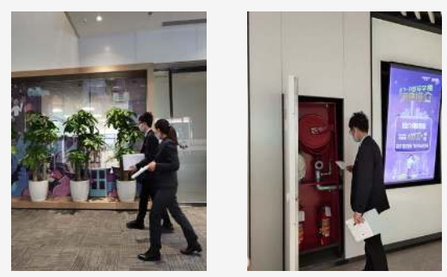
Longfor Intelligent Living Carried out Fire Safety Activities in the Park

To ensure the fire safety of the park, Longfor Intelligent Living enhances the fire knowledge and skills of the property owners by conducting a thorough assessment of risks within the community space, displaying fire prevention tips posters, organizing knowledge-sharing sessions with firefighters, and conducting fire drills. These measures are implemented to establish and maintain community safety.

Fire Safety Activities at Longfor Intelligent Living Campus

Longfor Blue Engine Conducted Regular Safety Inspections

In order to protect customer security, Longfor Group commits to promptly identifying and addressing issues and conducting timely reviews. To implement the Group's requirements, Longfor Blue Engine executes various mesures at different intervals to bolster building safety. These measures include daily project issue inspections and re-inspections, quarterly quality assessments in collaboration with customers, and biannual fire drills in partnership.



Daily Safety Inspections

Longfor Intelligent Living Actively Engaged in Typhoon and Flood Prevention

Throughout July 2023, the living park encountered frequent heavy rainstorms, resulting in an exceptionally high volume of rainfall in a short period and the accumulation of sediment and debris in the rainwater. These circumstances posed significant challenges for the park's residents in terms of travel and sewage discharge. In response, all Longfor Intelligent Living staff mobilized in every area to deploy preparatory measures before the rainstorm, promptly clear and drain water during the storm, and swiftly address the situation. Following the rainstorm, immediate action was taken to clear and dredge water to facilitate safe travel for the park's residents and ensure the safety of their homes.

Typhoon and Flood Prevention

Promoting More
Advanced Development

Longfor Group places significant emphasis on building a sustainable supply chain. We actively advance the greening of the entire industrial chain and are dedicated to establishing a comprehensive supplier management system, with formulated and implemented standards for environmental protection, social responsibility, and quality management, to build a sustainable, stable, and efficient supply chain system.

ESG Material Topic(s) Responded in This Chapter

- Supply Chain Management
- Intellectual Property Protection
- Industry Development

SDGs Goal(s) Responded in This Chapter

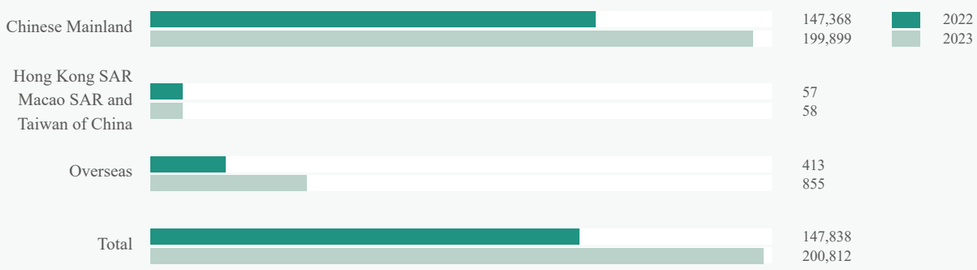
Supplier Management

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 develop and publish *Longfor Supplier Code of Conduct*[19], *Longfor Group Supply Chain Function Assessment Methods, Real Estate Headquarters Design Tender Management Principles 2023, Real Estate Headquarters Cost Management System 2023, Real Estate Headquarters Construction Resource Management System 2023, Real Estate Headquarters Construction Materials and Equipment Procurement and Supply Management Methods 2023, Real Estate Headquarters Sales and Facility Construction Cost Management System 2023* and other internal management systems as guidelines to specify all management requirements for suppliers and manage suppliers hierarchically.

We follow the *Real Estate Headquarters Construction Materials and Equipment Supplier Management Measures 2022* and the *Real Estate Headquarters Construction Materials and Equipment Procurement and Supply Management Methods*. These actions aim to reinforce requirements for Tier 1 supplier management, including pre-bidding inspections and conducting at least one annual quality assessment of their raw materials, semi-finished, and finished products.

As of the end of the Reporting Period, Longfor had a total of 200,812 suppliers[20]. The percentage of suppliers contracted for material and equipment procurement that obtained ISO 9001 and ISO 14001 was 95%.

The Group's Suppliers by Region



The Group's Suppliers by Classification

Suppliers contracted for material and equipment procurement

The Group continually enhances the entire supplier life cycle management process, fortifies risk identification and management during supplier entry, management, and exit, and strengthens the resilience of the supply chain. In 2023, we reinforced the ESG risk management of suppliers and raised the requirements for auditing and certification in areas such as labor management, environmental protection, safe construction, scientific research and development, and information technology. For audits, we adopted a random sampling and testing method to assess key indicators such as volatilization of harmful gas emissions from materials, mold inhibition, and heavy metal content. Moreover, we collaborated with a third-party quality inspection organization to guarantee the quality and safety of supplied raw materials. In terms of certification, we concentrated on the creditworthiness of our suppliers and their performance in compliant hiring through internal auditing and a third-party tool to mitigate integrity risks. In 2023, we commercialized the early warning capability of the affiliation risk control model, integrating it into the bidding platform to enable the system to block processes or issue early warnings about risks, thereby enhancing the ability and efficiency to identify affiliation risks in the bidding management process. As of the Reporting Period, this risk control model had been extended to cover all segments and applied to all suppliers.

[19] https://www.longfor.com/upload/file/2022-05-13/f292568d-176a-4272-9eae-86290fa023b6.pdf

[20] The total number of the Group's suppliers is the number of Tier 1 suppliers.

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 2023, the Group has selected 181,131 suppliers based on certification criteria (such as labor guidelines, product service, quality and safety, and other requirements).
- We would then increase the inspection of corporate compliance (social credit, employment of child labor), environmental protection, R&D and customization, information technology construction, and other aspects.

Supplier Grading

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

Supplier Evaluation

- We routinely conduct supplier performance evaluation and grading to assess suppliers' product quality and service capability 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.
- Evaluate suppliers from environmental dimensions such as carbon emissions, use of renewable energy, and purification of hazardous gases or substances prior to the release of the products produced by the supplier.
- 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 workplace safety 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 workplace 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.

Supplier Quality Management

Longfor Group highly accentuates the quality performance of its suppliers. Every year, we perform regular research on our Tier 1 suppliers and direct suppliers to assess the quality of raw materials, semi-finished, and finished products. Simultaneously, we rigorously scrutinize the qualifications of Tier 1 suppliers and direct suppliers and proactively engage suppliers, contractors, and subcontractors with third-party quality management system certification.

For indirect suppliers and raw material suppliers, we define the corresponding quality requirements in the "Supplier Engineering Technology Requirements". For raw material suppliers, we select outstanding material suppliers in order to ensue the quality of our products. In 2023, the Group conducted a total of 258 third-party sampling inspections on suppliers in the material and equipment category. Out of these, 251 tests were successful, indicating a pass rate of 97%.

In addition, we regularly organize quality training and conduct special quality training for all suppliers at least once a year to impress upon them the significance of production, construction, and product quality, educate them on the latest quality-related laws, regulations, and regulatory requirements, and specify common quality risks and solutions to strengthen their quality control capabilities. In 2023, we revised the suppliers' workplace safety training course and incorporated additional quality training content on emission restriction standards to ultimately enhance suppliers' awareness of quality control.

Procurement Integrity

Longfor Group, while safeguarding the fundamental rights of its suppliers, establishes specific social, environmental, and governance requirements and expectations for them. We adopt a zero-tolerance approach towards corruption and actively enter into *Agreement on Integrity in Cooperation* with all suppliers and rigorously enforce adherence to integrity compliance clauses outlined in the *Code of Longfor Business Conduct*. This approach significantly mitigates the risk of corruption within the supply chain and fosters a transparent and ethical business environment. Notably, in 2023, the Group recorded no instances of corruption involving its suppliers.

In 2023

The percentage of suppliers who signed integrity agreements with Longfor

100%

Green Procurement

In pursuit of achieving a sustainable society, the Group is dedicated to generating environmental value and building an eco-friendly supply chain. The Company has developed and released the *Green Procurement Policy*[21], which mandates suppliers to prioritize the purchase of low-carbon and environmentally friendly materials and encourages them to actively engage in environmental protection initiatives. Through systematic regulations and stringent green procurement controls, we will collaborate with all our partners to champion environmental improvements and elevate our contribution to the environment.

The Group consistently monitors the environmental impact of suppliers across all aspects of their operations and integrates green procurement into performance evaluations. During the supplier inspection and certification process, the Company focuses on environmental concerns, carbon emissions from manufactured goods, harmful gas emissions, renewable energy, and the implementation of purification measures to minimize the environmental impact of upstream production activities.

In 2023, the Group bolstered its collaboration with suppliers to advance waste recycling and enhanced its commitment to exploring new energy solutions by spearheading research, testing, and piloting photovoltaic technologies. Concurrently, we conducted focused research on novel materials such as low-carbon and environmental-friendly options, and piloted technologies including energy-efficient adhesive film for curtain walls and skylights, low-energy air-conditioning, and ultra-low-energy ventilators, in order to augment the Company's core competitiveness in low carbon.

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

We include the supplier plants' 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), 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 star requirement of green building materials to drive upstream suppliers' green and sustainable development when purchasing interior wall paints, such as stricter requirements for formaldehyde, VOC, heavy metals, etc.

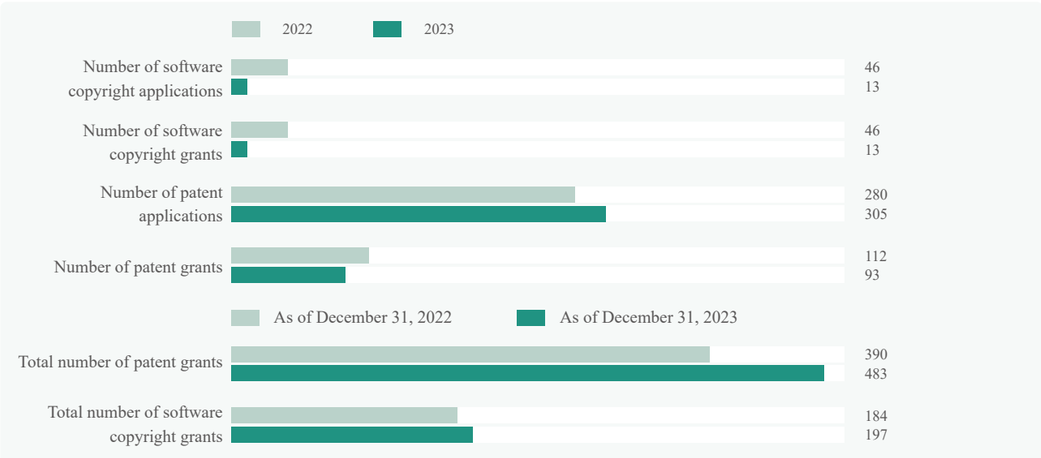
Industry Development

We recognize that science and technology are the primary drivers of development. We place a premium on innovation development within the Company and the protection and application of technological advancements. We bolster our capacity for independent innovation, while actively engaging in industry exchanges and collaborations to acquire new technologies and management expertise. By expanding into new realms of science and innovation, we aim to lead industry evolution and realize a vision of mutual success.

Intellectual Property Protection

The Group respects all patent achievements and strictly abides by the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations of the places where we operate. We have formulated internal management regulations, such as Group Guidelines for Patent Classification and Group Guidelines for Patent Agent Assessment. We actively build an intellectual property management system and systematically manage intellectual property rights in terms of trademarks, patents, copyrights and domain names.

The Group's patent achievements have steadily increased, covering digital engines, R&D, engineering, supply chain, customer R&D, and operations. In the current year, we applied for a total of 305 patents, an 8.9% increase compared to the previous year. The authorization rate for utility model patent appearance patents has consistently remained at 100%. While maintaining a leading position in patent applications, we have also achieved an increasing trademark authorization rate for three consecutive years, reaching 94% in 2023, which greatly reinforces the Company's scientific research strength.



Patent and Trademark Applications and Grants by the Group in 2023

Number of Chinese invention patent applications
303

Number of international invention patent applications
2

Number of patent applications
305

Number of patent grants
93

Number of trademark applications
19 (73 types)

Trademark grant rate
94%

The Group conducts extensive product research and development, including patent applications and thematic studies, focusing on energy saving and consumption reduction, and technological innovation in the supply chain. In 2023, we applied for four relevant patents, such as textured coatings for external walls. We have obtained certifications for two utility model patents and appearance patents for embedded electronic locks. We are also planning to apply for appearance patents for second-generation embedded electronic locks.

Overview of Patent Research

Completed patents

- Embedded electronic locks are mainly designed to reduce the amount of stamping metal and plastic used in electronic locks, and improve the overall effect of electronic locks and entry doors.

Patent application in progress

- The research is designed to solve the loss of exterior wall textured coating spray in the project application, and the large consumption of the sintered sand. The aim is to reduce energy consumption while saving raw materials.

Furthermore, our thematic studies yield positive results. In 2023, we completed seven thematic studies on the application of alternative natural stone, intelligent lighting in basements, Interior door structure optimization, wood flooring upgrades, and molded bridges. These studies have notably decreased energy consumption and material usage across different projects, improving the sustainability of the entire value chain, with a focus on the supply chain.

Overview of Thematic Studies

Exploration of alternative natural stone application	Researching the use of ceramic tiles to replace non-renewable natural stone and applying the resulting products to projects.
Intelligent lighting in basements	Researching the reduction of lighting consumption in the basement through the use of intelligent lighting to provide illumination when people are present and control illumination when they leave to reduce energy consumption, with the findings applied to projects.
Substitution of aluminum panels on the facade	Completing the substitution of aluminum panels for alloy panels on the facade by reducing the thickness of the metal to lower the amount of metal required for smelting, thus reducing energy consumption and enhancing sustainability.
Metal line substitution on the facade	Substituting metal lines with lightweight recycled materials to decrease metal usage, lower energy consumption, and carbon emissions, and enhance sustainability.
Interior door structure optimization	Optimising the interior door structure, reducing the use of core filler wood and refining the finish to artificial wood veneer to diminish wood usage, thus improving environmental protection and renewability.
Wooden flooring upgrades	Using waste-recycled OSB boards instead of multi-layer boards at the base to enhance the flooring's environmental performance and reduce wood usage to protect the environment and make it green and environmentally friendly. Additionally, utilizing veneer roller printing technology for the finish to reduce natural wood veneer usage and protect the environment.
Molded bridge	Utilising steel plate stamping instead of traditional bending and welding for bridge construction to reduce steel plate thickness and amount, as well as decrease energy and resource consumption, harmful gas emissions, reduce bending and improve environmental performance.

Assembly Wallboard for Cost Reduction and Efficiency Enhancement

The Group's commitment to cost reduction and efficiency enhancement leads to the development of high-value patents. In 2023, the Company continued to innovate in assembled wallboard construction, introducing the "prefabricated wallboard without drilling and leveling the keel" by the C5 Smart Engineering team. This invention has successfully reduced installation costs.

Prefabricated Wallboard without Drilling and Leveling the Keel

To enhance the Company's intellectual property management system, Longfor Group builds a daily communication mechanism for intellectual property support, improves channels for intellectual property communication, and increases the frequency and quality of communication. Additionally, a tailored docking system is established for high-tech and specialized new project groups to ensure the smooth and efficient operation of each research segment.

As of December 31, 2023

Number of high-tech enterprises owned by Longfor Group

11

Number of specialized, high-end and innovation-driven SMEs by Longfor Group

4

According to both internal and external requirements concerning intellectual property management, Longfor Group organizes a variety of training courses to ensure that employees comprehend the significance of intellectual property rights and consistently improve their awareness of protecting intellectual property. In 2023, the Company delivered a total of six intellectual property training courses, covering trademarks, high and new technologies, and patents, aimed at continuously enhancing employees' awareness of intellectual property protection.

Advancing with the Industry

Longfor Group closely monitors industry trends and leverages its extensive industry experience to fulfill corporate responsibility. We actively contribute to the establishment of industry standards and are committed to enhancing the industry's level of standardization. For instance, Longfor Smart Engineering, as a representative of the Group in the field of assembly construction, has been involved in developing multiple standards such as *Application Handbook for Assembled Decoration Technology and Parts (T/JCJJ 002-2023), Technical Specification of Hotel for Assembled Interior Decoration*, and *Technical Standards for Thinly Adhering Tiles on Gypsum-Based Self-Leveling Surfaces* (T/JCJJ 004-2022). These involvements serve as a testament to Longfor Group's proficiency in virtual construction, supply chain management, lean construction, and other core competencies.

Participation in Compiling the *Application Handbook for Assembled Decoration Technology and Parts*

In April 2023, Longfor Smart Engineering played a key role in compiling the *Application Handbook for Assembled Decoration Technology and Parts*, under the coordination of the Interior Decoration Industry Professional Committee of the China Real Estate Association. Amassing insights from various sources, the manual delineated comprehensive design requirements and technical specifications for assembly decoration. Its content holds crucial value by guiding and illustrating the national adoption of standard modular design, advancing the integration of assembly parts and technology, and fostering the industry's progressive development.

Application Handbook for Assembled Decoration Technology and Parts

In addition, Longfor actively promotes collaboration between industry, academia, and research, facilitating the transformation of scientific and technological achievements. By 2023, Longfor Smart Construction has secured over 90 construction management projects, encompassing a total floor area exceeding 16 million square meters. Furthermore, the Company has forged strong partnerships with over 200 schools and enterprises, including China Railway City Development and Investment Group, China Orient Asset Management Co., Ltd., and Tsinghua University.

Smart Community Internet of Things (IoT) Platform for Jinjiang Municipal Government and Taishang District Government of Quanzhou

To establish a smart community IoT system and alleviate the technical requirements for equipment monitoring personnel, Longfor Smart Construction developed a smart community IoT platform for the Jinjiang Municipal Government and Taishang District Government of Quanzhou. The project involved the establishment and enhancement of multiple initiatives, such as an integrated visualization cockpit, fire protection system, power supply and distribution system, and RBA equipment monitoring platform.

Upon completion, the project has delivered significant results, including a 20% reduction in annual energy management costs, a 230% increase in per capita management area, and a 40% decrease in building management labor expenses. The platform has substantially enhanced the operational efficiency of smart districts, making a positive contribution towards realizing the objective of smart cities.

Smart Community IoT Platform Construction Project at Jinjiang Municipal Government and Taishang District Government of Quanzhou

Urban Revitalization

Longfor Group actively addresses urban "fragmentation" amidst rapid economic development and urbanization. We promote urban renewal through upgrades to supporting facilities, revitalization of land value, and enhancement of urban functions. This approach aims to improve the city's livability and inclusiveness, bolster urban structural optimization, and achieve sustainable development.

Promoting Urban Renewal

The Group is dedicated to infusing cities with new vitality through innovative methods for sustainable development. We focus on five core elements: establishing an industrial ecosystem, fostering diverse complexity, enriching urban culture, activating urban spaces, and integrating transportation value. We take into account the city's history and culture and build an ecologically sustainable, convenient, and efficient city that is tailored to local conditions.

Renovation of Caihong Factory in Xianyang

The Caihong Factory, which was once a significant symbol of industrial development in the thousand-year-old city of Xianyang, embodies the hard work and memories of multiple generations. However, due to the city's evolving functions and industrial modernization, the factory became neglected and fell into disrepair due to its outdated facilities. We have incorporated the legacy of the old factory into the district revitalization, integrating design elements that preserve its historical essence.

Before the Renovation

Design Elements of Caihong New City

In the redevelopment of the new factory, our focus is to establish a distinctive commercial landscape, aiming to create a pass-wise dynamic three-dimensional spatial design to enhance the commercial experience. Functionally, we develop a significant number of high-end residential units, construct comprehensive commercial blocks, establish impressive urban green spaces, and provide over 600 parking spaces to cater to the public's residential and entertainment needs. From a spatial planning perspective, we design a commercial hub with an efficient connection between shops and pedestrian pathways as the focal point. This encompasses the construction of commercial streets along the main street, internal commercial streets, park commercial streets, and three alleys. Moreover, we strategically position main and secondary nodes to generate a vibrant commercial environment and enrich the public's entertainment experience. Additionally, we integrate leisure facilities such as fashionable terraces, rooftop gardens, and themed night markets to enhance the overall lifestyle experience.

Caihong New City

Hybrid Space - A New Product Line Enhancing Community Vibrancy

The Hybrid Space project on Jinyuan Road in Shanghai is situated in Jiangqiao, a suburb of Shanghai. Through strategic geographical analysis, Longfor has transformed this area into a dynamic commercial district Hybrid Space that caters to diverse needs. This includes the development of entertainment programs, and children's entertainment venues, as well as dining and retail services, complemented by high-quality amenities. These offerings not only provide a welcoming leisure destination for young people but also provide a vibrant and enriched lifestyle service to local residents.

Hybrid Space Neighborhood

Longfor's Blue Engine Industrial Park Creates Technology Office Space for Excellent Enterprises

Longfor's implements an innovative collaboration model that is led by the government, implemented by professional social capital and driven by leading enterprises, creating a demonstration of urban renewal that maintains property rights and balances diverse interests. Through market-oriented approaches, the Company has attracted top-tier enterprises, including Auto Navi, Bank of Beijing, and Cloud Account, to transform the wholesale market, a village collective commercial land, into a cutting-edge hub for quality commerce to facilitate industrial upgrading and ignite regional economic vitality.

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, located in Hefei and constructed in the 1950s and 1960s by Soviet experts, stands as a symbol and epitome of Hefei's industrial culture, holding significant historical value for preservation. Our approach follows the cultural lineage of the land while adhering to local government requirements, respecting the site's original industrial characteristics as much as possible, and renewing it through artistic means.

Complying with historical building protection laws, we focus on limited intervention and revitalization to infuse new vitality into the old town. Applying six restoration techniques and red brick materials, Longfor Group has maximized the factory building's characteristics during operation. Internally, we have preserved the original spatial features and restored the artistically valuable arched dome, complementing it with a new metal roof and skylight system to create a luminous and shadow-rich indoor space.

While preserving the industrial memory, we have considered the regional characteristics and integration with the surrounding environment. The has been transformed into a neighborhood garden model and built into a recreation area that promotes cultural quality, diversity, and inclusivity. To address ecological concerns such as soil remediation, air quality improvement, and water pollution reduction in the old industrial site, Longfor has implemented multiple governance actions, resulting in significantly improved ecological conditions post-transformation. This industrial site remodeling has bestowed the old industrial base with new functions and a refreshed outlook through selective historical heritage inheritance, modern architectural techniques, and positive intervention.

Before and After Renovation

Improving Affordable Housing

Longfor Goyoo actively respond to the trend of encouraging both housing purchase and renting by continues to develop high-quality rental housing projects. By expanding into core tier one and tier two cities nationwide, Longfor Goyoo has a cumulative total of 123,000 opened rooms and maintaining its position as the industry leader in brand influence.

With the aim of creating warm and bright hubs for urban youth, Longfor Goyoo consistently promotes the construction of affordable housing. To cater to the diverse needs of different tenant groups, we have iterated the product to Goyoo version 4.0. Moreover, we have initiated a novel construction model focused on converting disused office buildings into long-term rental apartments, allowing old assets to assume new urban functions and revitalize their vitality.

Affordable rental housing by Longfor Goyoo is now available in over 20 cities, including Beijing, Chongqing, and Tianjin, with a cumulative total of over 50,000 opened rooms. This provides affordable housing options for low-income individuals, seniors, and young people. In 2023, Longfor's new inclusion in government-recognized affordable rental housing projects amounted to 40, comprising 17,000 rooms, thus making a significant contribution to addressing livelihood matters within the community. As of the end of 2023, Longfor Goyoo achieved an overall occupancy rate of 95.5%. Among properties that have been operating for over six months, the occupancy rate stood at 96.4%. Additionally, the tenant satisfaction rate was recorded at 96.5%.

Highlights of Affordable Housing Project at Longfor

Goyoo at Guogongzhuang Metro Station, Beijing

This project marks the first opening in Beijing after the design and reconstruction assessment under the *Guide for the Construction of Affordable Rental Housing in Beijing*. It is also the inaugural instance of a non-residential building in Beijing being transformed into a rental housing project. Longfor's Goyoo and Metro Land Corporate Ltd. have collaborated to convert disused office buildings into rental apartments, using the approach of "capital investment in reconstruction, joint assessment for rental housing, and enhancement and revitalization through operation". This initiative aims to provide affordable housing for new citizens and young people in Beijing. Since its inauguration, the project has established 745 affordable rental housing units, accommodating over 2,000 tenants with an exceptional occupancy rate exceeding 97% and a customer satisfaction rate surpassing 95%, positioning it as a model for long-stay rental apartments based on the TOD model.

Goyoo at Guogongzhuang Metro Station, Beijing

Goyoo at Guanzhuang, Beijing

This represents Longfor's maiden joint project with SOE China Minmetals Corporation in Beijing. The repurposed office building has been transformed into a vibrant city-hub for young people, with a total of 303 affordable rental apartments. Through renovation and operational revitalization, the asset has acquired new urban roles and come into life. It has been fully occupied within four months of opening, attaining the exclusive "five-star" certification for long-stay rental apartments in Beijing.

Goyoo at Guanzhuang, Beijing

Goyoo at Wangdindi, Nankai District, Tianjin

This initiative stands as one of the earliest affordable rental housing projects in Tianjin and is converted from an unused dormitory. The comprehensive transformation by Longfor's Goyoo focuses on 20-30 square meter open-plan apartments suitable for young people, providing 479 apartment rooms to address the housing needs of new citizens, young people, and other groups in Tianjin. Notably, the occupancy rate consistently remains above 97%.

Goyoo at Wangdindi, Nankai District, Tianjin

Longfor Group's relentless commitment to delivering exceptional rental living standards and its unwavering dedication to providing top-notch quality for all residents has garnered widespread community recognition.

Awards and Accolades Received by Longfor Group in Recognition of its Rental Housing Initiatives

- In May 2023, Longfor Goyoo won the TOP1 brand value for rental housing operators.

亿翰智库

·发·现·中·国·地·产·前·行·的·力·量·

2022租赁住房运营商品牌价值 TOP 20

排名	企业简称	品牌	综合评分
1	龙湖	冠寓	85.75
2	万科	泊寓	85.35
3	雅诗阁	雅诗阁	80.64
4	魔方生活服务集团	魔方公寓	77.80
5	百瑞纪	城璟	77.62
6	华住集团	城家公寓	74.79
7	旭辉	悠居国际	74.49
8	招商集团	伊敦公寓	74.32
9	华润	有巢	74.11
10	协信	协信寓	73.48
11	乐乎公寓集团	乐乎	71.62
12	醒诗	醒诗寓	71.11
13	安歌集团	安歌公寓	67.80
14	白如	白如寓	67.24
15	保利	保利公寓	66.65
16	建方能资	建方长租	66.54
17	中海	海誉、友堂	65.27
18	中富资源	乐璟生活社区	63.53
19	金地	草莓社区	63.27
20	上海城投	宽寓	62.71

榜单说明

1.时间：为2022年度，数据统计截止至12月31日。

2.主体：在中国内地开展经营活动，以租赁住宅项目为主业的企业，其中上市企业以上市主体进行品牌研究。

3.数据来源：亿翰智库客观企业年报、实地调研、网络公开信息助力已知法律数据库整理。

4.特别说明：榜单仅供参考，亿翰智库不对因本榜单为媒体产生的直接或间接损失承担责任。最终数据以企业自身为准。

- In January 2024, Longfor Goyoo was honored as MBI TOP2.

MEADIN ACADEMY

2023年 住房租赁品牌传播力(MBI) 100强榜单

排名	品牌名称	品牌类型	品牌指数
1	泊寓	集中式长租公寓	437.45
2	冠寓	集中式长租公寓	392.44
3	简寓公寓	集中式长租公寓	273.51
4	长平公寓	集中式长租公寓	252.12
5	魔方公寓	集中式长租公寓	246.79
6	悦寓	集中式长租公寓	231.47
7	自如	分散式长租公寓	227.82
8	相寓	分散式长租公寓	157.17
9	美寓	集中式长租公寓	152.11
10	方舟公寓	集中式长租公寓	148.60

- In November 2023, Longfor Goyoo was among the top 10 apartments for white-collar by CRIC.

- Longfor Goyoo Rental Housing Project at Xiushan of Fuzhou was included in the List of Replicable and Promotable Experiences in the Development of Affordable Rental Housing (First Batch) by the Ministry of Housing and Urban-Rural Development of the People's Republic of China.

Creating a Healthier Workplace

Longfor Group believes employees are the important pillar of business development, with their happiness and satisfaction being directly linked to its long-term progress. We uphold the employer value proposition of "Intelligent Longfor, Infinite Future" and are dedicated to consistently enhancing the employment system, promoting talent development, protecting employees' rights and interests, and ensuring workplace safety, thereby cultivating a nurturing environment brimming with care, respect, and opportunities for employee growth.

ESG Material Topic(s) Responded in This Chapter

- Protection of Employees' Rights and Interests
- Employee Career Development
- Occupational Safety and Health

SDGs Goal(s) Responded in This Chapter

Fair Employment

Longfor Group strictly adheres to the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of the Rights and Interests of Workers*, and other pertinent laws and regulations. In addition, we have instituted internal regulations, such as the *Group Talent Recommendation Management Measures*, the *Group Recruitment Channel Management Guidelines*, and the *Recruitment Manual*, to ensure an open, inclusive, and equitable recruitment framework.

We also comply with the *International Labour Organization Convention* and uphold principles of fairness, impartiality and equality, and actively work to eliminate all forms of discrimination. Our recruitment process takes into account diverse backgrounds, including gender, culture, and professional competence. We strictly enforce equal pay for equal work and are dedicated to establishing a diverse talent system that ensures fair employment practices.

We strictly observe the *UN Convention on the Rights of the Child*, the *Convention on the Elimination of All Forms of Forced Labour*, and the *State Council's Provisions on the Prohibition of Child Labour*, and other relevant policies and regulations, by resolutely prohibiting the employment of minors and rejecting all forms of forced labor. Simultaneously, we have established the *Longfor Group Human Rights Policy*[22], which prohibits the employment of child labor and forced labor and firmly opposes any discrimination in terms of gender, ethnicity, region, religion, or sexual orientation, among others. Regular internal reviews are conducted to ensure compliance. In 2023, Longfor Group committed no child labor, forced labor, or discrimination violations.

In 2023, Longfor Group was awarded:

2023 Extraordinary Employer by Liepin

2024 Outstanding Award in Human Resource Management by 51Job

As of December 31, 2023

Longfor Group had 29,116 employees

As of December 31, 2023

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

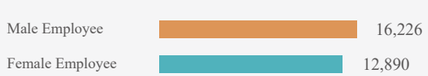
1:1

Number of Employees from Ethnic Minority

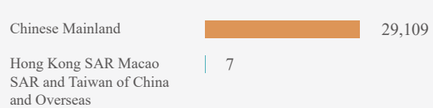
1,258 person

Includes Bai, Buyi, Zang, Chaoxian, Chuanqing, Daur, Dai, Dongxiang, Dong, Gelo, Hani, Kazak, Hui, Lahu, Li, Man, Maonan, Mongol, Miao, Mulam, Naxi, Qiang, She, Shui, Tujia, Uyghur, Xibe, Yao, Yi, Zhuang ethnic group

Number of Employees by Gender (person)

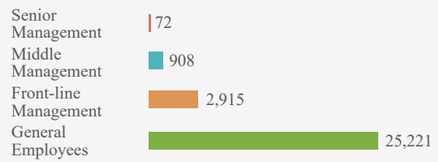


Number of Employees by Region (person)

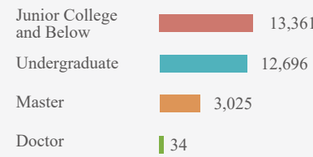


[22] https://www.longfor.com/upload/file/2022-05-13/ed33971d-f3b1-4c4d-ada2-79c3bb0e302c.pdf

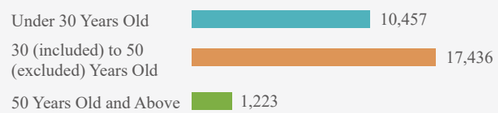
Number of Employees by Position (person)



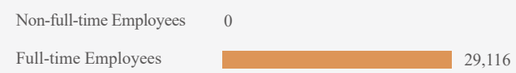
Number of Employees by Educational Background (person)



Number of Employees by Age (person)

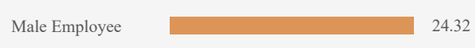


Number of Employees by Employee Type (person)

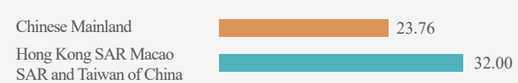


Turnover

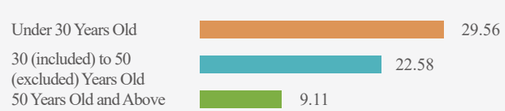
Turnover by Gender (%)



Turnover by Region (%)



Turnover by Age (%)



Turnover by Business Line (%)

Talent Development

Longfor Group values talent as the most valuable asset and is dedicated to providing employees with a wide-ranging career development platform, creating a conducive learning environment, fostering employee potential and nurturing future-focused talent in all segments. We devise diverse career development opportunities and growth paths tailored to employees at different levels and in various business scenarios, proactively expanding the scope for talent development within the organization and implementing a range of incentives and initiatives to provide a hospitable environment for talent to flourish.

Employee Promotion

Longfor Group has developed internal systems, such as the *Administrative Measures for Employee Seniority and Job Levels* and the *Rules of Longfor Group Flowing Water Program*, to continuously refine promotion standards and paths. The Company has also established a transparent employee assessment system that employs a comprehensive range of assessment methods to provide objective and accurate employee assessments, fostering an open and fair environment for healthy competition among all employees. Furthermore, we are promoting the use of the "Cloud Evaluation" product for online assessment in all segments, which offers a diversified, multi-faceted talent portrait and serves as a comprehensive and objective basis for employee assessment. Additionally, we have developed an online presentation product for career promotion to drive the digital upgrade of employee promotion activities comprehensively.

Employee Assessment Tools

Comprehensive Assessment

We conduct regular employee assessments using tools such as talent inventories and one-on-one conversations with managers and identification of high-potential talent and bench strength certification.

External Assessment Tools

Annually, we acquire assessment tools from external professional assessment organizations to cultivate and develop our core personnel. Six years in a row, Longfor has purchased a variety of assessment tools annually from internationally renowned assessment companies for campus recruitment and identification of employees with high potential.

Considering internal talent assessment scenarios and requirements, we utilize self-developed 360-degree feedback, one-on-one communication, and other online tools to embed customized talent standards and ensure that the assessment data is consistently documented.

Leadership Assessment Product

By using standardized leadership assessment products and self-developed 360-degree feedback tools, regular leadership assessments are conducted for managers, especially the core management personnel, newly appointed personnel and reserve personnel, to drive individual and overall leadership improvement.

Longfor Digital Employee Promotion Assessment

Longfor has been committed to harnessing the power of digital products to empower both managers and employees for recent years. Managers have access to tools like "my org" and "my team" to review performance and talent data in real-time, gain key management insights, and take appropriate management actions, thereby enhancing the organization's competitiveness in human resources. Meanwhile, employees can utilize "my career" to handle HR-related matters or discover new career development opportunities with a single click. The Company is dedicated to establishing effective communication channels between managers and employees with digital products and encouraging employees at all levels to proactively explore their own career paths.

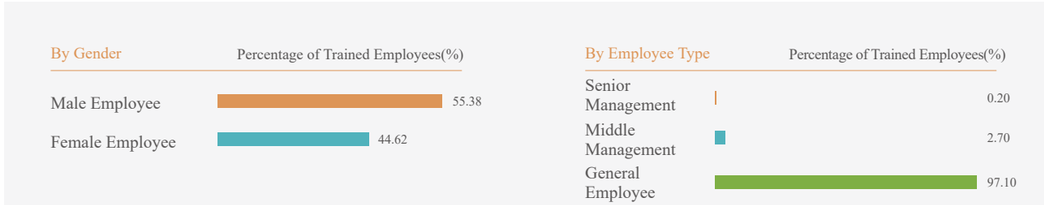
In 2023, we comprehensively updated the "All Employee Leadership Model and Development Class" to guide all employees to "think and act with practice diligence, internal and external synergy," and continue to "foster entrepreneurship." The new model clearly defines the "leadership development path and ladder" for employees at all levels, guiding their progression upwards step by step. Depending on their level, employees gain a clear understanding of their current and forthcoming competencies and behavioral expectations. Simultaneously, the organization can utilize this tool to assess and provide targeted training for employees at each level.

Additionally, we tie employee performance to salary and provide bonus incentives to exceptional employees in order to foster a positive work environment.

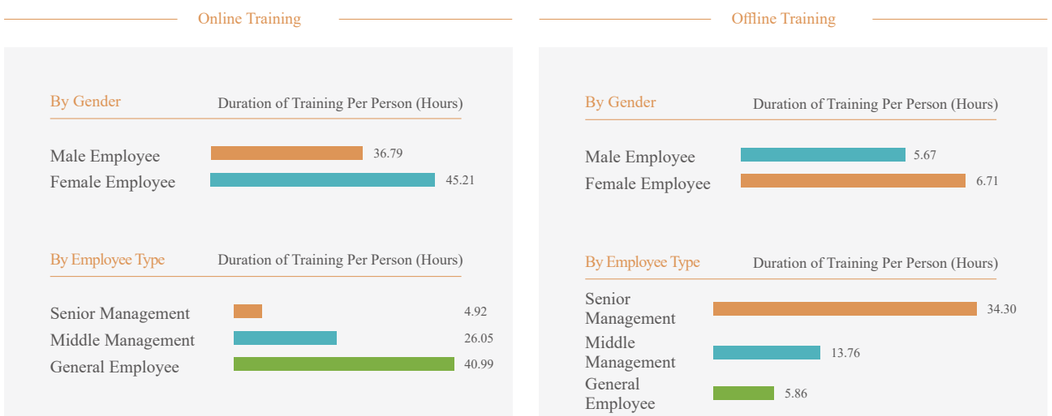
Employee Training

Longfor Group is committed to creating a positive atmosphere of knowledge sharing and learning among all employees. We promote tailored training across all segments through the development of high-quality training products, course development, instructor empowerment, and the dissemination of excellent cases. In 2023, Longfor Group's employees logged a total of 1.75 million training hours across all segments, covering all employees, marking a 7% increase from the previous year, and the average training duration was 59.76 hours per capita.

Percentage of Employees Receiving Training in 2023



Hours of Training Received by Employees in 2023



Longfor actively promotes internal training and sharing among employees through instructor tags and Teachers' Day activities. In 2023, over 3,600 employees served as onboarding guides to help new employees acclimate to their new work environments and business roles. Furthermore, more than 1,190 instructors shared their knowledge and work experience, delivering a total of 1,089 online courses and 1,565 offline training sessions. This initiative has played a positive role in upskilling the entire workforce.

Internal Training and Sharing

Longfor Group has been establishing campus recruitment brands for several years, continuously enhancing the training program for recent graduates, and developing numerous exceptional talents through initiatives such as the Management Trainee Program.

Management Trainee Program

The Management Trainee Program is an outstanding management trainee initiative designed for graduate students and beyond. It focuses on the development of students from campus recruitment through onboarding role-change, instructor systems, customized job rotations, and leadership enhancement programs. As of the end of 2023, one out of every four first-line or middle-level managers have graduated from the Management Trainee Program. In 2023, 135 students from the class of 2023 received intensive training, while 569 students from the class of 2021-2022 participated in intensive mid-term and closing training sessions.

Intensive Training Session of Management Trainee Program

In 2023, Longfor Group introduced a leadership training program aligned with the "All Employee Leadership Model and Development Class". It aims to empower outstanding internal managers to deliver lectures and offer them a deeper grasp of leadership through both teaching and learning.

Specialized Leadership Training

Level	Training
Senior Management Leadership Training	In 2023, Longfor conducted three centralized training and teaching sessions for the core management teams of each segment, encompassing over 500 participants. Through regular training, centralized knowledge-sharing, and collaborative efforts to the management, we not only achieved ongoing alignment concerning the Company's strategic direction but also established a strong consensus on strategic key tasks and implementation paths.
Middle Management Leadership Training	In 2023, Longfor arranged 30 training sessions of Win for Leadership - Level 3 aimed at middle managers, with a total of 1,137 participants.
Junior Management Leadership Training	In 2023, Longfor organized 89 training sessions of Win for Leadership - Level 2 for first-line managers, engaging a total of 3,129 participants.
Project Management Enhancement Training	In 2023, Longfor organized 16 training sessions of Win for Leadership - Level 1 for management trainees and key employees who graduated 1-2 years ago, involving 713 participants.

Employee Rights and Benefits

Longfor Group continues to enhance the protection of employees' rights and interests, prioritizes the physical and mental well-being of its staff, consistently strives to boost employee satisfaction, and fosters a stronger sense of belonging among the workforce.

Protection of Employee Rights and Benefits

Longfor Group is dedicated to safeguarding the rights and benefits of its employees and implements a Comprehensive Reward, Compensation and Incentive System. We routinely conduct market-based salary surveys and make adjustments to salaries based on market conditions and employee performance, ensuring that employees receive fair and competitive compensation.

In addition to compensation, we offer a range of benefits tailored to meet the diverse needs of our employees. This includes annual medical checkups, supplemental insurance, and access to an exclusive online doctor to provide continuous health monitoring and support. Moreover, we offer a work-life coaching program (EAP), comprehensive attention to and protection of employees' mental health. Furthermore, we extend holiday blessings, diverse subsidies, preferential housing purchase benefits, and other welfare policies, while demonstrating our continuous dedication to incentivizing and acknowledging our longstanding employees. Through comprehensive system support, we aim to ensure that our employees derive satisfaction from their work and feel a sense of security.

Extensive Employee Benefits

Employee rights and benefits	Introduction
Annual Physical Examination	● Longfor Group offers its employees a range of diversified and tailored health assessment programs and one-stop health management services. Moreover, employees' family members have access to convenient appointment scheduling for physical examinations, as well as preferential rates and discounts equivalent to those offered to employees. ● We also provide access to online healthcare professionals who offer guidance on interpreting examination reports, as well as delivering targeted health management and disease prevention advice based on multi-year examination results, comparative analyses, and key indicator trends to employees and their family members. We actively address employee queries and concerns related to appointment booking and examination and place significant emphasis on both post-examination employee satisfaction research and follow-up.
Commercial Insurance	● Longfor Group undertakes a comprehensive review of the current commercial insurance program and introduces a tailored health management system based on the benefits of commercial insurance. This enhancement enriches employee health management activities and establishes double protection of "insurance plus health", addressing the core needs of employees while considering personalized choices. For commercial insurance solutions, the Company provides employees with company-paid commercial insurance and continually optimizes and enhances optional commercial insurance solutions. ● For the people covered, these optional solutions enable employees to select self-chosen commercial insurance coverage for themselves, their spouses, children, and parents. Furthermore, from the aspect of responsibilities protected, the Company offered more comprehensive risk-based insurance in 2023, including accident insurance, transportation accident insurance, and medical insurance protection. Through diversified and personalized commercial insurance, we aim to alleviate the concerns of every employee who work hard for us, from daily medical reimbursement to the protection of major risks.
Longfor's Exclusive Health Consultation Service Platform	● Longfor Group is dedicated to establishing an exclusive health consultation service platform to facilitate the work and life of employees. The online consultation service, Dr. Xiaohu, provides employees with online consultation, as well as online medication ordering and delivery services, meeting their needs for non-physical-contact consultation and medication purchases. ● As of the end of the Reporting Period, Dr. Xiaohu had provided 600 online consultations for employees. We arranged offline consultation activities with general practitioners in collabouration with health service providers in five cities – Chongqing, Chengdu, Guangzhou, Shenzhen, and Hangzhou. In 2023, a total of 55 consultation activities were carried out, serving 116 employees altogether.
Safety and Protective Equipment	● The workplace at Blue Engine, Beijing is equipped with first aid equipment AED (automated external defibrillator), which undergoes regular equipment checks, battery replacements, and other maintenance by the health hut doctor. The health hut in the workplace is stocked with a variety of over-the-counter medicines, and exclusive doctors prescribe medications for employees daily while conducting regular medicine inventory.
EAP (Work Life Coaching Program) Employee Assistance Program	● Longfor Group places significant emphasis on the mental health of employees. We provide telephone or face-to-face counseling services for employees and their families through counselors from third-party professional organizations to promote their psychological well-being. In 2023, the EAP services provided a total of 293 telephone/video/face-to-face counseling sessions, with topics focusing on emotional and family issues (39%), personal growth (26%), and children's education (10%).
Long-term Service Award	● Longfor Group provides incentives and recognition to employees who have worked for more than ten and twenty years and motivates 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, to create a welfare system that applies to every employee and to give employees greater autonomy over their decisions.

Employee Care

In addition to ensuring the physical and mental well-being of our employees through providing various rights and benefits, we also conduct employee care activities during major holidays to extend warm holiday greetings to our staff.

Longfor Group's Event on International Women's Day

On 8 March, 2023, Longfor Group held the event "Live Well with Your Days" to mark the occasion of International Women's Day. The event took the form of a health bazaar, featuring six health service providers who offered employees exam-inations of the oral cavity, fundus examinations, Chinese massages, and other health-related activities. Additionally, there were lectures on women's health. Our goal was to raise employees' awareness of the impor-tance of health through engaging health activities and interactive lect-ures. The event was well-received, with over 220 people participating in the various activities.

Event on International Women's Day

Employee Communication and Satisfaction Survey

Longfor Group continues to boost business segment synergy and organizational efficiency and lead and support Longfor's development with culture-inspired momentum. In 2023, we further deepened cultural development and utilized lightweight online tools to assess the corporate cultural ambiance. Over the year, we conducted three "Cultural Thermometer" activities among all employees, with a total turnout of 46,421 employees.

All business segments and functional departments actively integrate culture into work standards and behavioral norms and promote the business impact of corporate culture on business through cultural experience, culture wall displays, and cultural benchmarking. We curate Longfor's cultural stories and assemble the culture centered around sincerity, diligence, simplicity, and prudence. These stories reflect Longfor's rich spirit and communicate the Group's cultural values of integrity, diligent service, simplicity, self-discipline, and prudence to the public. Additionally, we conduct a series of activities including strategy alignment meetings, general manager's forums, hackathons, and case studies, to instill the Group's corporate values in our employees and nurture our corporate culture, enhancing their sense of belonging.

In Longfor - Small Stories of Longfor Culture III[23]

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

We respect the views of every employee and are dedicated to creating a convenient and efficient communication platform for all staff. We utilize the "Longfor BBS" internal forum as a platform for open communication, encouraging employees to express their work-related suggestions in a rational and constructive manner. In 2023, we upgraded the application scenario of the Yuntusuo community to facilitate professional discussions and knowledge sharing among employees, allowing the accumulation of expertise. Furthermore, we intensified the implementation of 1v1, 360 comprehensive assessment, frank talks forum, and other mechanisms to provide employees with richer and more convenient communication channels with their superiors.

The Group conducts yearly satisfaction surveys and engagement surveys for all employees, addressing their practical concerns and improving their satisfaction. In 2023, Longfor Group achieved 100% employee participation in both satisfaction and engagement surveys, with satisfaction and engagement rate of 84% and 86%, respectively. This marks a significant improvement from the previous year and expands our leading position in the real estate industry.

In 2023

Longfor Group's satisfaction survey and employee engagement survey both achieve a coverage rate of

100%

Satisfaction Rate

84%

Employee Engagement Rate

86%

Safety and Health

Longfor Group prioritizes the safety and health of employees, adheres to the principle of "safety first, prevention first," and consistently enhances the management of workplace safety and occupational health and safety. We effectively fulfill safety management responsibilities and conduct various training activities to establish a secure, healthy, and comfortable working environment for our employees.

Safety Management System

Longfor Group rigorously complies with laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Construction Law of the People's Republic of China*, the *Regulations on the Administration of Workplace Safety in Construction*, the *Regulations on the Reporting and Investigation of Workplace Safety Accidents*, as well as the *Standards for Safety Inspection of Construction Supervision*, among others. Internally, the Company has established workplace safety management systems including the *Longfor Group Construction Safety Management Measures for Projects Under Construction*, the *Longfor Group Safe and Civilized Construction Management Standardized Atlas*, and the Group Engineering Safety Management System, which delineate the responsibilities of relevant personnel at all levels and proactively prevent and eliminate potential safety hazards in the production process.

In 2023, the Group continued to improve its *Health and Safety Management Policy*[24], covering all business lines of the Group and required all suppliers and contractors to comply with the policy. When selecting and evaluating suppliers, we also regard their safety management efforts and the assignment of safety management personnel as crucial assessment criteria, in order to establish a safety line of defense for the entire industry chain in collaboration with employees, tenants/customers, suppliers/contractors, partners, and other relevant parties. There were no serious injuries or safety accidents reported across the Group in 2023.

[24] https://www.longfor.com/upload/file/2024-04-24/b56adc2c-641f-450b-bae0-9300c6646d3f.pdf

Safety Management System

Longfor Group adheres strictly to the *Labour Law of the People's Republic of China*, the *Workplace Safety Law of the People's Republic of China*, and other pertinent laws and regulations. The Company devises the *Engineering Safety Management System for the Real Estate Headquarters* and implements a three-tier safety management system encompassing the Group, Regional Companies, and Projects. The safety management system covers all subsidiaries and businesses of the Group. We delineate the responsibilities at each level for health and workplace safety management and enforce the work safety responsibility system. Additionally, the Group sets up a daily safety management mechanism to ensure labor safety from Multiple dimensions in the production process.

At the highest level, the board of directors of the group is accountable for reviewing the Group's health and safety strategy and performance while the ESG Committee oversees health and safety-related strategy and performance, as well as the progress of health and safety goals within the Group.

We operate the accountability system for safety accidents, which links safety performance, such as major safety accidents, casualties, and fire incidents, to the remuneration and bonuses of executives and employees across all subsidiaries and businesses of the Group.

Three-tier Safety Management System

Layers of Management	Main Responsibility
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 workplace safety of project personnel and all health and safety issues within the project's scope.

Daily Safety Management Mechanism

Daily Safety Management

Phase-specific 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

To ensure the attainment of safety targets and the control of project safety risks, Longfor Group grades project safety risks based on the criteria of "red, yellow, and green". For projects classified as red, the safety officer from the partner's higher-level company is enlisted to conduct joint inspections and offer immediate feedback on site safety issues. All projects are mandated to adhere rigorously to the safety management process established by the Group to oversee and manage construction safety throughout the entire process.

Safety Management Process

Responsible Entity

- A dedicated security staff will be appointed in regional companies, and specific actions will be incorporated into the full cycle control behavior.

→ **Contractual Management**

- Safety management standards and requirements for the strict implementation of standardized atlases are specified in contracts.

→ **Safety Education**

- The implementation of safety morning meetings and promotion of safety self-inspection drills and safety morning meetings are conducted within each project.

→ **Safety Meetings**

- Monthly briefings on construction safety are held in each region, and monthly safety conferences take place for regional companies.

→ **Safety Inspections**

- The form of third-party safety inspections has been adjusted, comprehensively refreshing the safety inspection form and clarifying key risk control items.

→ **Management of Major Sources of Danger**

- The four major risk control standards and principles is clarified, and increased requirements for the management of tall models, firefighting, and deep foundation pits is implemented.

→ **Risk Management of Main Responsibility**

- Emphasis is placed on the management of the phase of risks for which we are largely responsible, and the formation of a management checklist, increased frequency of safety inspections, and implementation of measures for personnel reserves are required.

→ **Redline Management**

- The redline items are optimized and adjusted to nine, clarifying the scale and including all redline items in the reward and punishment clauses.

Safety Goals and Performance

We have set workplace safety goals in 2022 and we continuously conduct regular reviews of their attainment to encourage all employees to prioritize safety in their production and management responsibilities under the guide of safety goals.

Workplace Safety Goals

zero workplace safety accidents of average or above level within our responsibility;

5%

percent decrease in workplace safety accidents of the average or above level of related-party (including contractor) responsibility.

Longfor Group Workplace Safety of 2021-2023

	2021	2022	2023
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

Based on the safety management system, Longfor Group has developed the *Real Estate Headquarters Regulations for Rewards and Punishments of Engineering Management*. This document provides detailed assessment criteria for rewards and punishments related to safety management. The aim is to motivate staff to display greater enthusiasm for safety management through clear assessment criteria, thus contributing positively to safety management efforts.

Safety Management Reward and Punishment Management Dimensions

Reward Management Dimension

- Satisfaction
- Quality Safety Benchmark Prize
- High Quality Deliver
- Efficiently Reached Nodes
- Technical Platform Support
- 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
- Reached Project Nodes
- Monthly Inspection and Document Management
- Third-Party Iteration and Annual Punishment
- Prompt Punishment

Training on Workplace Safety

In 2023, Longfor Group prioritized workplace safety training and conducted regular safety training sessions for all employees and contractors. The topics covered included electricity safety, fire safety, and finishing management. Additionally, the Company organized the month of workplace safety activities to enhance awareness of workplace safety among all construction personnel. In 2023, the Group delivered 10 workplace safety courses, with over 50,000 employees participating, and conducted 6 online training courses on workplace safety for contractors, with more than 160,000 contractors taking part.

Series Activities In Month of Workplace Safety

In 2023, Longfor Group organized Month of Workplace Safety activities to provide safety warning education and promote the culture of safety. These initiatives aimed to disseminate safety knowledge to project leaders and employees involved in the projects. Additionally, safety emergency drills were organized for employees. Following training on managing emergency situations, employees were divided into different groups, including communication and liaison, medical assistance, and rescue and relief, to train for various roles in emergency simulations. This approach enabled employees to promptly apply their training, thus enhancing training effectiveness.

Education on Safety Warning

Technical Safety Briefing

Safety Emergency Drill

Construction Site Safety Training

Longfor Group mandates consistent on-site safety training throughout the project cycle, encompassing the correct use of personal protective equipment, adherence to safety standards and operating procedures, and the identification of potential safety hazards. With the construction site safety training, the understanding of safety regulations and operating procedures is enhanced among construction personnel, bolstering their awareness of potential risks and their sense of responsibility for safety. This training also serves as a reminder to remain vigilant about safety at all times and to avoid complacency in any circumstance.

Safety Training on the Construction Project Site

Workplace Safety Inspection

Longfor Group carries out regular safety inspections within the Company and to suppliers in line with the *Engineering Third Party Inspection and Evaluation System 2023*, focusing on safety management during the construction process. The inspection frequency adheres to the basic requirements of "once a week by projects, once a month by regional companies, once a quarter by the Group and twice a year by third-party inspections. These safety inspections encompass daily, monthly, and pre-holiday checks, inspections during the month of workplace safety as well as special inspections for fire safety and winter construction. Additionally, we irregularly engage third-party organizations to conduct safety inspections. This comprehensive approach allows us to promptly identify and address potential safety hazards, providing a guarantee for reducing safety risks.

We also establish a reward and punishment system to specify safety management rules, 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. Regional companies and individuals who have made outstanding contributions to the timely notification, safety guarantee, and emergency response receive commendations, award stars, and other appropriate rewards. Those who maintain a clean record of no workplace safety incidents have effective safety measures in place, and no severe crises of level 3 or above receive one to three award stars in recognition.

Specialized Equipment Safety Inspections in Longfor Group's Regional Company in Shandong

In 2023, Longfor Group's Regional Company in Shandong enlisted the services of a third-party safety inspection organization to conduct a specialized safety inspection of its large-scale equipment. The inspection uncovered a total of eight potential safety hazards, including mismatches between the installation of basic parts and the instructions, lack of insulation protection at the cable wire fixing point, and malfunctioning slewing limiters. Subsequently, specific rectification requirements were presented. The regional company swiftly responded and addressed the latent safety issues one by one in accordance with the identified problems and rectification suggestions.

Inspection of Safety Hazards in Large-scale Equipment

Digitalization Empowers Security Management

In recent years, alongside routine safety inspections, Longfor Group has actively advocated for the utilization of digital technology to elevate the exploration of construction safety. We have created the AIoT Intelligent Construction Platform, incorporating artificial intelligence and big data technologies to empower construction safety through visualization and intelligence. Furthermore, we have applied a variety of functional modules for testing in a number of projects, and are committed to improving the digital safety management of the entire production process.

AIoT Functions and Applications

Function

Acquirng Concrete Strength via Bluetooth

Application

- It is widely promoted across the Group with 140 under-construction projects fully covered
- It saves more than half of the time for acquisition
- The data feedback is timely and reliable.

Function

AIoT Drone Progress Management

Application

- Applied in 5 projects in Southern Jiangsu and Tianjin for normalized shooting.
- It can improve the inspection scope, increase the frequency of sampling, review the authenticity of on-site information timely, and realize the unification of internal and external cross-circuit information.

Function

Collecting AIoT Pit Monitoring Data

Application

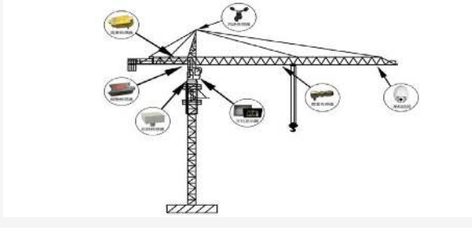
- The pit monitoring through Bluetooth program has been gray tested in 10 projects and the test results show that the system is stable with perfect function and meets the requirements for application.

Function

Special Equipment Monitoring

Application

- The tower crane safety monitoring and management system, supported by an online crane monitoring system tablet PC, utilizes height, angle, slewing, lifting weight, wind speed, and other sensory collection equipment, combined with wireless communication, to transmit real-time data throughout the entire operation process to the tower crane tablet PC.



Tower Crane No-Lifting Zone Automatic Identification Solution in Longfor's Regional Company in Changsha

In 2023, Longfor's Regional Company in Changsha conducted a test on the automatic identification, safety monitoring and management system for the tower crane no-lifting zone. The system comprises a controller, instrumentation, weight sensor, torque sensor, amplitude sensor, slewing sensor, height sensor, wind speed sensor, remote communication module (for domestic use), and an optional anti-collision data transmission module. It serves as a safety monitoring and management system designed to monitor the operational status of the tower crane and provide alarm control. This system enables real-time monitoring of the tower crane's operation and triggers various sound and light alarms as well as protective measures, effectively preventing major accidents caused by mistakes or illegal operation by the tower crane driver. Through the implementation of this auxiliary device, construction operational efficiency has been significantly enhanced, and a safer working environment has been established.

Additionally, the system, known as the tower crane safety monitoring and management system, includes a black box feature and can upload the real-time operation data of the tower crane to the IOT safety monitoring platform via GPRS. This enables remote monitoring and management for the tower crane's operator, leasing unit, or safety supervision department.

Safety Monitoring and Management with Automatic Identification of No-Lifting Zone

Tower Crane Safety Monitoring Management Platform (on Computer)

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 implement an employee health and safety management system across the entire Group, providing all employees with safety protection including annual medical check-ups, commercial insurance, access to exclusive online general practitioners, and workplace safety supplies to raise awareness of safety and occupational health. We conduct various health activities to cater to employees' needs. Additionally, we provide the Employee Assistance Programme (EAP), which prioritizes employees' psychological health and offers professional counseling services. As of the end of the Reporting Period, Longfor Group has obtained ISO 45001 and OHSAS 18001 management system certifications. In 2023, the Company obtained safety standardization certifications for 19 sites, with 6 sites achieving municipal safety standardization, and the other 2 sites designated as provincial/municipal observation sites. there were no working days lost due to work-related injuries.

Longfor Group's Doctor Consultation Services

To enhance employees' awareness of health management and provide a convenient solution for their health concerns, Longfor Group consistently offers on-site doctor consultation services. Professional doctors from various hospitals are invited to the Longfor Group office building to provide face-to-face consultations for employees. This enables employees to seek advice on health management, as well as request customized analyses of their medical reports. In addition to in-person consultations, Longfor also provides exclusive online general practitioner services all year around, offering health consultation services for the employees' convenience.

Consultation for Longfor Staff

Longfor Group's Activity "Take Care of You in Dog Days"

On July 11, 2023, Longfor Group organized the themed activity "Treat Winter Illness in Dog Days" to highlight the importance of seasonal health care with winter disease dog days plaster. The health bazaar featured five health service providers offering Chinese medicine consultations, Chinese medicine massages, aromatherapy DIY, winter disease dog days plaster, and pitch-pot games. The event, which attracted more than 200 participants, aimed to raise employee awareness about health and demonstrate Longfor's commitment to employee well-being.

The Activity "Take Care of You in Dog Days"

Creating
a Greener Environment

Longfor Group, with a deep respect for nature, incorporates the principles of sustainable development into its corporate operations. The Company actively addresses climate change through extensive research and development and the application of green technologies, aiming to create environmentally friendly and habitable cities and align with the national goal of achieving carbon peaks by 2030 and carbon neutrality by 2060.

ESG Material Topic(s) Responded in This Chapter

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

SDGs Goal(s) Responded in This Chapter

Special Topic

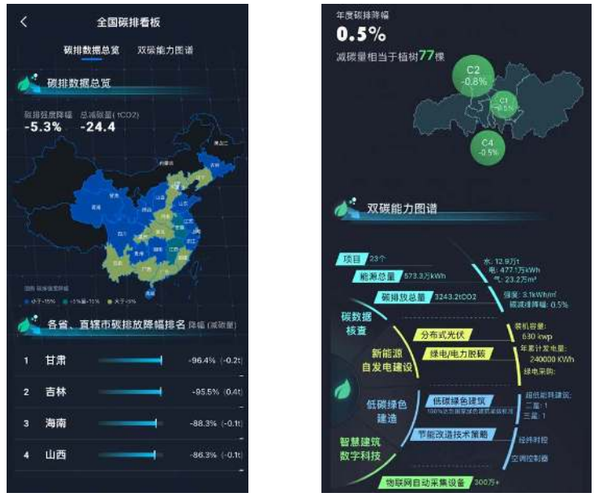
Empowering Low-Carbon Development Through Digitization

With the gradual implementation of supportive policy initiatives, digital production, operation, and lifestyle are becoming the new norm in Chinese society. As per statistics, China's digital economy reach RMB 50.2 trillion in 2022, denoting a 10.3% year-on-year growth and accounting for 41.5% of the GDP[25]. Consequently, incorporating data as the chief production factor and leveraging digital technology as the driving force will be a key approach in achieving the carbon peaking and carbon neutrality goals. Simultaneously, the fusion of technology and real estate has emerged as a vital avenue and direction for restructuring the real estate industry.

Longfor Group, a leading entity in China's real estate sector, has been extensively involved in digital intelligence development for over two decades since formally initiating information technology action in 2003. The Company has made substantial strides in the convergence of digital intelligence and real estate technology. Against the backdrop of realizing the national carbon peaking and carbon neutrality goal, enabling a green economy through digital intelligence development stands as a pivotal focal point in both current and future directions for Longfor Group, representing a critical component of the Group's annual priority, particularly for its specially dedicated carbon peaking and carbon neutrality team.

Guided by the *Guidelines of Longfor Group on Implementing Carbon Peaking and Carbon Neutrality Strategy*, the Group's carbon peaking and carbon neutrality team bears full responsibility for implementing and advocating carbon management initiatives and exploring the application of digital intelligence technology to bolster the Company's green and low-carbon development. The Longfor Group's management assumes full guidance and decision-making accountability for the development of a green economy powered by digital intelligence. Concurrently, the carbon peaking and carbon neutrality technology operation team, platform empowerment working group, and each business segment's working group are tasked with supporting relevant implementation efforts.

Dual-carbon operation cockpit: It gathers and analyzes the Group's energy and carbon data, breaks down carbon reduction targets into four tiers: group, channel, region, and project, and establishes an online target management system. leveraging the aggregated energy data and targets, it develops operational strategies for adopting new energy technologies, implementing energy-saving and carbon-reduction solutions, and promoting green and low-carbon constructions across various dimensions. Subsequently, it monitors and oversees the implementation of these initiatives. The carbon peaking and carbon neutrality team continuously assesses the Company's energy and carbon operations and utilizes digital technology to create a smart dashboard for real-time monitoring of the Group's overall carbon emissions, and supervises and promotes the implementation of carbon emission reduction targets. Additionally, the carbon peaking and carbon neutrality team regularly reviews green building-related policies, formulates and implements guidelines to comprehensively realize the carbon peaking and carbon neutrality goal.



Carbon Emission Monitoring Dashboard

The data displayed on the dashboard is periodic data from the project management process and does not represent any conclusions for the entire year. The annual data is detailed in the appendix.

[25] http://221.179.172.81/images/20230428/59511682646544744.pdf

In 2023, the Group established a "Carbon Peaking and Carbon Neutrality Digital Management System" and implemented a PDCA integrated management model. This model encompasses target management, strategy formulation, practical feedback, and continuous optimization and iteration of targets and strategies. It focuses on various dimensions such as low-carbon green construction, energy-saving and carbon-reducing renovation, and new energy practices. The initiative created a closed management loop that combines top-down target management with bottom-up practical feedback within the Group, laying a solid management foundation for the Group's environmental sustainability and drive its sustainable development.

Energy technology management: It provides real-time monitoring and feedback on the implementation at the project level. Leveraging the BIM+IBMS+IoT intelligent operation and maintenance system, Longfor has achieved refined and automated management of lighting, air conditioning, and other energy-consuming equipment while ensuring user comfort and project operations' quality. Building on the accumulation of extensive data and precise classification of scenarios, the Group adjusts energy consumption strategies through zoning, time-based utilization, and layered refinement management. It has also established five-level energy consumption architecture standards and a utility charge management system to enable energy-efficient utilization and a clear operational management model.

Smart System's Interface

Special Topic

Empowering Low-Carbon Development Through Digitization

Longfor Group's Energy Management System EMS[26] Iteration

Longfor Group's Energy Management System (EMS) platform has undergone product iteration to enhance its capabilities. In addition to automatically collecting and analyzing conventional energy consumption data, the platform now incorporates advanced features for energy health analysis, assessment and feedback. Specifically, in the context of commercial operations, the platform leverages intelligent passenger traffic systems to simulate energy consumption data based on varying passenger traffic. It then provides real-time feedback on abnormal situation by comparing the simulated energy consumption data with actual energy consumption, using tools such as the carbon peaking and carbon neutrality cockpit and Yuntusuo to deliver energy-saving alerts. Moreover, the platform regularly generates real-time energy consumption statistics reports and dashboard details, facilitating subsequent analysis for goal setting and strategy refinement.

[26] EMS: Energy Management System

The Iteration to IBMS 4.0 of Longfor Group

In 2023, Longfor Group's commercial operation sector completed the iteration of IBMS 4.0, leading to business innovation through advancements in the energy consumption model, equipment health monitoring, and automated equipment operation. Subsequently, product applications were gradually implemented, such as the energy consumption model and Intelligent Control of AI Cooling Station, ultimately achieving a full-year energy saving and cost reduction of RMB 27 million. The specific developments included:

Revision of HVAC and Lighting Control Rules

This aimed to reduce equipment overrunning and failure to operate in accordance with the designated rules (e.g., elevators, lighting, and air-conditioner units), enhance management precision and diminish energy wastage.

Implementation of Intelligent Control of AI Cooling Station

This initiative sought to enhance the energy efficiency of cooling stations, resulting in an 8% reduction in the average energy consumption of cooling stations across four pilot projects.

Deployment of Distributed PV

The utilization of the PV Smart Driving Cabin to monitor PV power generation was applied.

Energy Consumption Model

Through the analysis of historical data, this model was developed to assist the business in setting rational energy consumption targets and implementing energy saving and emission reduction efforts. The result was a reduction of over 50% in overall air conditioning energy consumption in server rooms during the cooling season in 2023.

Highlights of Longfor Group's Carbon Reduction through Intelligent Building Systems

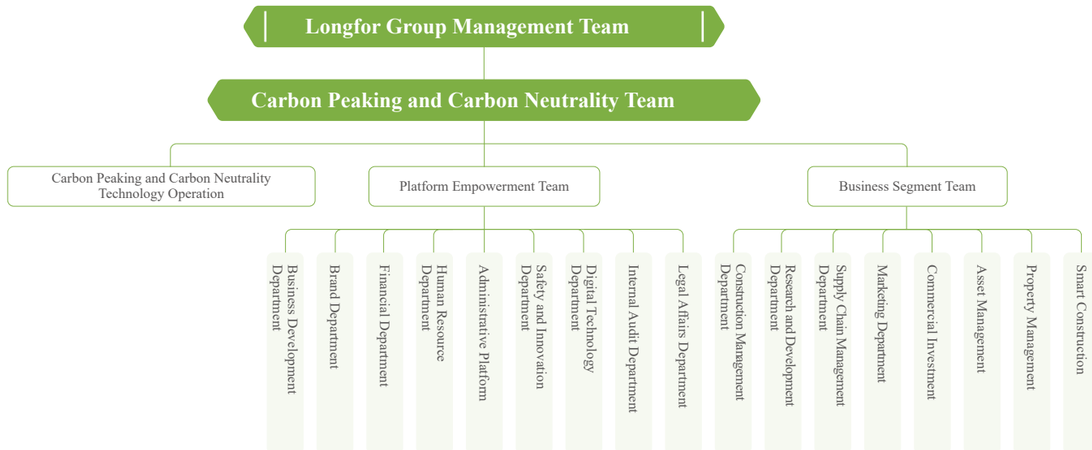
- The Light Year Project in Chongqing has implemented a water-loop heat pump air conditioning system connected to the Cangluan intelligent building system. This integration enables precise temperature control, resulting in a **10%** energy saving and an average annual carbon reduction of **80,000 kg**.
- Longfor Blue Engine Industrial Park in Beijing has incorporated AIoT intelligent space IoT technology to autonomously supervise space efficiency, office operations, environment, and security. This implementation has led to an average annual energy saving of **30%** and a carbon reduction of **180,000 kg**.
- 1st Avenue Project in Chongqing has integrated the self-developed Cangluan intelligent building system for lightweight implementation, effectively regulating electricity consumption and achieving an average annual energy saving of **20%** with a carbon reduction of **95,000 kg**.
- Jiachen International in Chengdu has utilized an intelligent platform to implement a multi-industrial space zoning energy management strategy, optimizing man-machine control capabilities for enhanced energy efficiency and improved customer experience. This approach has resulted in an average annual energy saving of **18%** and a carbon reduction of **90,000 kg**.
- Lijia office building in Chongqing has leveraged the Cangluan intelligent building system to automate equipment monitoring and control at different times. Additionally, it is equipped with a comprehensive intelligent space lighting management system, leading to a dynamic adjustment of equipment status, achieving an average annual energy saving of **20%** and a carbon reduction of **75,000 kg**.

Responding to Climate Change

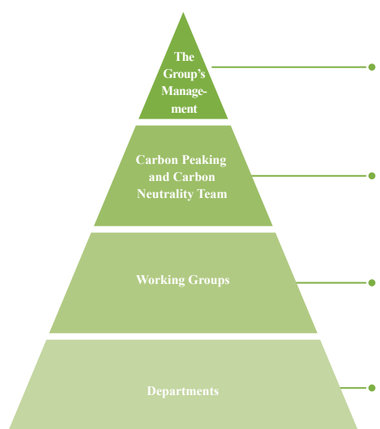
Climate change poses a universal challenge, demanding a collective, urgent response from all stakeholders. Longfor Group proactively undertakes measures to address climate change, bolstering climate change risk management, enhancing the urban smart energy framework, spearheading innovation in green finance, promoting sustainable operations across the entire lifecycle, and contributing to the national endeavors of carbon peaking and achieving carbon neutrality.

Governance

Longfor Group has established a comprehensive climate change governance system, delineated the responsibilities of climate change management at all levels and executed climate change management initiatives.



Responsibilities of Longfor Group on Climate Change at All Levels



- The Board serves as the foremost leadership entity and bears ultimate responsibility for the risks and opportunities linked to climate change.
- Under the Board, the ESG Committee oversees all ESG management efforts, encompassing the identification, assessment, and management of climate risks, and regularly reports on climate change matters to the Board.

- Coordinate and promote the execution of the Group's climate strategy and risk management.

- Guide relevant departments in their climate risk management tasks.

- Implement specific climate change response initiatives.

Strategy

Longfor Group continues to monitor global climate change policies and industry trends. We formulated the *Policy for Addressing Climate Change*[27] to benchmark against leading industry companies and continuously improve internal carbon reduction systems and management. At the same time, we have used digitalization technologies to verify the Group's carbon emissions and developed targeted green emission reduction paths to address and mitigate climate change risks.

Longfor Carbon Reduction Roadmap

Operating Cycle	Reduction Path
Design	• Design green housing like ultra-low-energy buildings • Prioritize the use of prefabricated buildings • Optimize renewable energy systems based on the building's location and other factors • Improve sustainable supply chains • Conduct life cycle carbon emission assessments of building
Construction	• Choose low-carbon materials and equipments, such as renewable materials, materials with lower carbon footprints, etc • Adopt efficient energy systems and equipment on the construction sites • Implement effective waste management plans • Optimize logistics and transportation methods on the construction site, and select low-carbon and green transportation modes and routes • Provide training on green awareness and skills for construction personnel
Operations	• Regularly inspect and maintain the energy systems of buildings, while considering adopting intelligent control systems, such as intelligent lighting and HVAC systems • Increase the usage of renewable energy, for example, by considering the installation of solar photovoltaic panels, wind turbines, and other facilities in existing buildings to reduce dependence on traditional energy sources • Expedite the adoption of energy-saving and low-carbon practices and gradually phase out high-energy-consuming equipment • Give priority to suppliers with ISO 14001 and ISO 50001 certification, as well as products with green carbon footprint certification • Pursue green building certifications like WELL and LEED to evaluate and enhance the environmental performance of buildings • Collaborate with tenants to promote low-carbon and energy-saving practices
Maintenance	• Regularly inspect and maintain the building's structure, equipments, and systems to promptly identify and repair any issues, ensuring efficient operation • Monitor energy consumption through the energy management system and make timely adjustments to abnormal usage • Establish an effective waste management system to separate, recycle, and reuse waste generated during maintenance and restoration

[27] https://www.longfor.com/upload/file/2023-04-23/53ccb087-3669-4b82-b56f-cf1771ceef72.pdf

Risk Management

Longfor Group actively raises awareness of climate change risks and promotes orderly climate change risk management. We incorporate climate risks into the Group's risk management in alignment with the *IFRS S2 Climate-related Disclosures* framework and suggestions. This approach allows us to identify, assess, and address the impacts of physical climate risks and transition risks on the Company.

Climate Change Risks and Responses

Risk type	Specific risks	Risk description	Risk response
Transition risk	Policy risk and legal risk	Government adopted more aggressive energy-saving and carbon-reduction strategies and roadmaps: • The Ministry of Housing and Urban-Rural Development approved the *General Norms for Building Energy Conservation and Renewable Energy Utilization* as a national standard, with the number GB 55015-2021, and makes building carbon emissions calculation mandatory, which entered into force from April 1, 2022. • The *Action Plan for Peak Carbon Emissions by 2030* issued by the State Council clearly stated the requirements of "accelerating the improvement of building energy efficiency" and "accelerating the optimization of building energy use structure." • The State Council issued a white paper on *China's Green Development in the New Era*, which explicitly calls for optimizing the spatial development and protection pattern of the national territory, strengthening the protection and restoration of ecosystems, promoting the green development of key regions, and building ecologically livable and beautiful homes. • 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 long-term carbon emission targets. • In 2023, regulations such as the *Longfor Group Engineering Safety Management System*, the *Longfor Group Safety and Civilized Construction Management Standardization Atlas*, and the *Green Environmental Protection Construction Plan* were revised 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 would achieve large-scale development by 2025 and that the proportion of green buildings in newly built civil buildings in urban areas would 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 2023, there have been 81 patents related to the iteration of prefabricated products.
Transition risk	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/CDP. 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. • Further enhance supply chain traceability, explore economically beneficial eco-friendly building materials, and implement strategies for low-carbon sustainable development.
	Reputational 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. Attracting employees and talent: • There is a growing concern among employees and talent regarding corporate social responsibility and environmental initiatives. The absence of proactive climate change initiatives could influence their choice of employer.	• 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 2023,over 95% of Longfor's commercial property tenants signed green leasing contracts.
Physical risks	Acute risk	Impact of extreme weather: • Extreme weather conditions, such as typhoons and heavy rainfall, as well as work stoppages, can result in increased expenses. Additionally, such weather events may lead to damage to assets, particularly land, resulting in higher asset costs and maintenance expenses. Furthermore, extreme weather can lead to elevated insurance costs, prompting real estate firms to pay higher premiums to safeguard their assets, thereby adding to their financial burden.	• 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. • Assign staff to monitor daily weather forecasts, activate emergency plans promptly in the event of extreme weather, and conduct thorough post-event reviews to accumulate experience and insights. • Maintain an adequate supply of emergency resources, including searchlights, generators, fire hoses, water baffles, snow removal equipment, and rain gear. Implement regular inventory checks to ensure preparedness for emergency response. • Adopt sponge city design, set up permeable pavement and sunken green space, increase rainwater infiltration efficiency, and minimize the impact of heavy rain on the Company's business operations.

The Group closely follows the national low-carbon transformation policies, seizes climate change-related opportunities, continuously improves the core competitiveness of the Company, and recognizes the opportunities of climate change.

Climate Change Opportunities

National Policies Support/Subsidies

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, 13 provinces (municipalities) have specified the number of financial subsidies for star-rated green buildings, with subsidies ranging from 10-100 yuan/m^2.

Response to Opportunities

Continuously follow up and study relevant policies and subsidies for green buildings to actively obtain national or provincial green building operation identification.

Adaptability

Opportunity Description

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.

Response to Opportunities

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.

Indicators and Goals

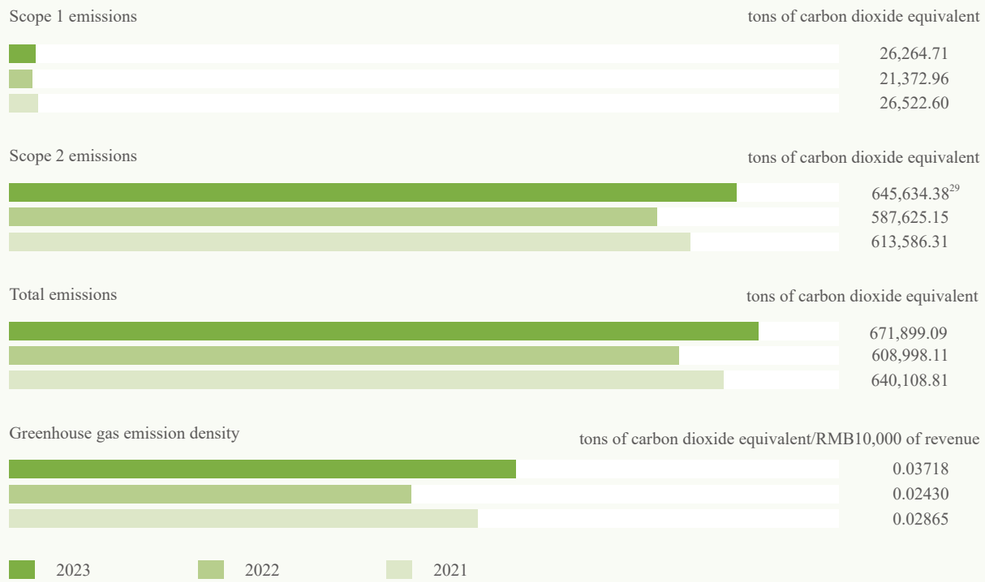
Longfor Group has established clear targets and consistently monitors essential climate-related metrics while providing regular reports on target progress. Moving forward, Longfor will enhance its energy consumption management, optimize its energy structure, explore low-carbon technologies, and endeavor to contribute to the country's carbon peaking and carbon neutrality goal. Further information regarding green building targets and progress can be found in the "Green Building" section, while details concerning energy consumption and water conservation targets and progress are available in the "Low Carbon Operation" section.

Greenhouse Gas Emission Reduction Goal

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

15% compared to 2020

The Greenhouse Gas Emissions[28]



[28] GHG emissions refer to WRI's Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard), covering the emissions from Scope 1 (direct emissions) and Scope 2 (indirect emissions) during Longfor Group's operational phase. Scope 1 refers to direct greenhouse gas emissions from sources owned or controlled by Longfor Group, including total gasoline, diesel fuel, and natural gas consumption; Scope 2 signifies indirect greenhouse gas emissions from purchasing or acquiring electricity and heat generated by Longfor Group.

In 2023, Longfor Group's greenhouse gas emissions statistics cover administrative offices, property development, commercial investment, asset management, management for the owned and developed property, and smart construction. However, data on the smart construction business in 2022 and prior years are not included.

[29] In 2023, Longfor Group purchased 46 million kWh of green electricity, exempting it from Scope 2 emissions.

Green Building

Longfor is dedicated to being an advocate and leader of green building practices, integrating sustainability into all aspects of design, material selection, construction, and operation. The Company actively explores various green building technologies and is committed to advancing the construction of ultra-low-energy and zero-carbon buildings.

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

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.

Building upon this foundation, the Group has actively participated in innovative research and development of green building technologies. In an effort to improve the energy efficiency and environmental sustainability of current buildings, the Group is actively advocating for the green certification program for existing buildings. In 2023, Longfor applied for a total of 44 patent approvals related to green building technologies, demonstrating its commitment to the highest environmental standards.

Green Building 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[30] certification and WELL[31] certification).

Achievement in 2023

All new projects of the Group reach the national green building star rating standard

100%

[30] LEED rating system | U.S. Green Building Council (usgbc.org)

[31] International WELL Building Institute (wellcertified.com)

Longfor Group's New Green Building in 2023

The number of the Group's certified green building projects

4

The number of new projects of Longfor Group that meet national green building standards

33

The GFA of new projects of Longfor Group that meet national green building standards

4,059 thousand sqm

The proportion of project area of Longfor Group that meet national green building standards

100%

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

21%

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

24%

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

33%

The number of new projects of Longfor Group that meet WELL certification standards

1

As of December 31,2023

The accumulated projects of Longfor Group that meet national green building standards

581

The accumulated area of Longfor Group that meet national green building standards

over **130** mn sqm

Green TOD[32] Complex Project

Transit-Oriented Development (TOD) plays a crucial role in achieving compact city, maximizing intensive utilization of land, integrating transportation networks, as well as advancing energy efficiency and emissions reduction in metropolitan areas, thus driving high-quality development.

Guided by the fundamental principles of TOD design[33], Longfor Group has developed holistic values[34]for TOD products, including six key scenarios: intercity hubs, urban business districts, regional centers, neighborhood hubs, multimodal transit hubs, and new TOD communities. As of December 31, 2023, Longfor has developed 110 self-owned complexes and over 80 TOD projects, spanning over 10 million square meters of TOD-focused all-format development areas.

As of December 31,2023

The number of established self-owned complexes is

110

with ToD projects

80+

TOD Project in Jinan Beichen Paradise Walk

In December 2023, Longfor officially opened the second TOD commercial project in Jinan, establishing a healthy, convenient, and comfortable intelligent commercial area for the public.

Regarding transportation, the project sits at the heart of Jinan's new East Railway Station area, adjacent to two main city lines. It is positioned at the intersection of Metro Line 3 and the under-construction Line 6. The commercial block on the B1 floor offers direct access to the Metro station, optimizing transportation operations and significantly benefiting the public.

In terms of design, Longfor embraces the principles of sustainable development, employing comprehensive digital BIM forward design and integrating IBMS, sponge city, and other concepts and technologies to achieve the intelligence of the commercial area. The mall is outfitted with the IBMS System, enabling parallel operation strategy and execution supervision through platform control to optimize facility and equipment control.

In terms of project operation, the mall consistently implements diverse green business concepts for tenants. It has established an energy-saving and consumption reduction management system, incorporating water, electricity, and gas conservation, along with "three shutdowns and one closure", into daily management and control. These efforts are reinforced with robust reward and punishment mechanisms and management initiatives to thoroughly embed the concept of green operation into tenants' operational and decision-making processes.

Additionally, the mall emphasizes the "Live Your Joyful Life" concept, collaborating with adjacent communities and kindergartens to arrange a series of green, low-carbon travel, waste sorting, and other themed activities, conveying the principles of green, environmental protection, and joy to consumers.

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

[33] Basic principles of TOD design: see page 111 of the Longfor Sustainability Report 2022 for details https://www.longfor.com/upload/file/2023-04-27/6b714f37-09d0-48e9-9961-3df517727a1b.pdf

[34] TOD product Values: see page 112 of the Longfor Sustainability Report 2022 for details: https://www.longfor.com/upload/file/2023-04-27/6b714f37-09d0-48e9-9961-3df517727a1b.pdf

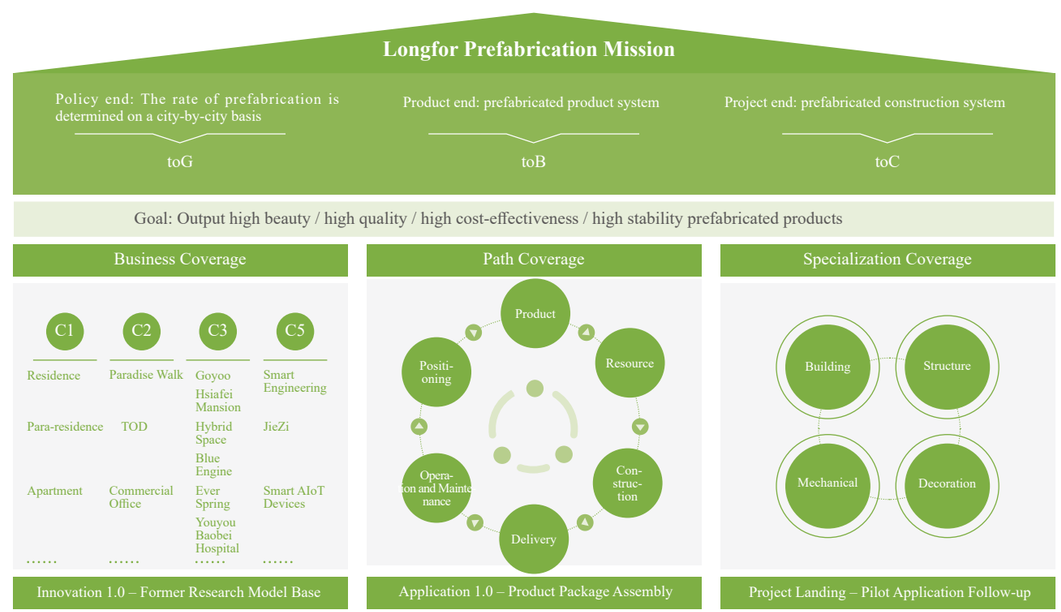
TOD Project in Wuhan Jiangchen Paradise Walk

The Jiangchen Paradise Walk project, applying the concept of "space as service" to develop an energy-efficient, intelligent, and lively commercial district. This model was inspired by the prominent TOD approach. Leveraging its strategic location at the core metro intersection of Wuhan's inner circle, the block established three connecting entrances to Metro Line 2 and Line 3 on the B2 and B1 floors, enhancing accessibility for all visitors. Additionally, we integrated the second underground level of Paradise Walk's commercial space to establish a comprehensive subway commercial street, "Fanhuli", at the F subway entrance. This initiative stimulated commercial traffic and increased the commercial value. Furthermore, we integrated over 30 bus lines on the ground level, accomplishing a seamless subway + bus connection.

Through out the project's operation, the mall actively pursued green and energy-saving renovation efforts. By upgrading the IBMS 4.0 intelligent building management system, we implemented a parallel operation strategy and execution supervision to optimize control of every facility and equipment. Regarding high-energy-consuming equipment, the mall substituted ultra-low-NOx high-efficiency boilers, achieving a thermal efficiency of 104% and reducing natural gas usage by 20% while lowering NOx emissions by 60%. we implemented energy-saving renovation of high-efficiency air-conditioning cooling stations, resulting in over 15% overall energy savings through the incorporation of frequency conversion control and optimization of the refrigeration mainframe's control strategy.

Prefabricated Buildings

Longfor Group actively responds to the call for national policies related to prefabricated buildings and explores prefabricated construction methods to achieve a low-carbon and environmentally friendly construction mode through the implementation of standardization, digitization, and productization, leading the healthy development of the industry. Based on the practice of technological innovation in the prefabricated building industry chain, we adopt the four major technology modes of new materials, new technologies, new systems, and new processes, and with full-cycle competency, multi-sector competency, and strong R&D capability, we build an integrated prefabricated building service system and ecosystem to realize efficient operation.



Longfor Prefabrication System

Full-Cycle Competency

The Group applies prefabricated building capabilities to project planning. design, production, construction and operation[35] to achieve integrated prefabricated building management for the entire life cycle of the project.

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 550 projects with a total construction area of more than 27 million square meters. There are over 100 prefabricated projects in the residential industry, and 43 projects have been completed and delivered, covering an area of 3.34 million square meters; and more than 300 projects have been completed in the apartment sector, covering an area of 4.70 million square meters, involving more than 123,000 rooms; 17 projects have been completed in the office sector, totaling 390,000 square meters; and over 140 projects have been completed in the commercial sector, totaling 18.52 million square meters.

The number of prefabricated projects

over 550

The total area of prefabricated projects

27 mn sqm

Green Low-carbon Prefabricated Wall for Longfor's Sapphire Time in Sanya

In this project of Longfor's Sapphire Time in Sanya, the Group made extensive use of industrially-produced standard components, which greatly improved the project quality and construction efficiency. The prefabricated wall of this project adopts ENF[36]. The formaldehyde content is only 0.003mg/m³, which is far lower than the highest national standard of formaldehyde content of less than 0.025mg/m³, and it has been awarded the technical achievement as "Key Technological Innovation and System Integration for Green Low-carbon Prefabricated Wall Decoration", and obtained the appraisal of "Internationally Advanced Level" from experts.

The formaldehyde content is only

0.003 mg/m³

Lower than the highest national standard of formaldehyde content

0.025 mg/m³

[35] Processes by Step: see page 106 of the Longfor Sustainability Report 2022 for more details: https://www.longfor.com/upload/file/2023-04-27/6b714f37-09d0-48e9-9961-3df517727a1b.pdf

[36] E_{NF} panels refer to the highest grade of formaldehyde emission classification of man-made panels and their products for indoor use, limit value less than or equal to 0.025mg/m³.

Strong R&D Capacity

Drawing from our extensive experience in prefabricated building, we have developed the *Standard for Prefabricated Finish Panel System* to establish a robust assembly system. In 2023, the Group has completed dozens of technical research topics and submitted applications for 199 prefabricated building patents, encompassing 94 invention patents and 105 utility models, of which 100 have been approved. Furthermore, leveraging our extensive experience and expertise in prefabricated buildings, we have contributed to the development of various industry-related standards. In 2023, we actively contributed to the formulation of industry standards such as the *Technical Specification for Prefabricated Interior Decoration of Hotels* and the *Technical Standard for Prefabricated Interior Decoration of Xiongan New Area*, advancing the development of standardized systems in the prefabricated construction industry.

Patents Related to Longfor Prefabrication Technology

AAA-grade Prefabricated Building in Longfor Qingdao – Jinglin Jiuxu

The Longfor Qingdao – Jinglin Jiuxu, part of the inaugural selection of high-quality commercial residential projects in Qingdao, adheres to the three-star green building standard, utilizes AAA-grade prefabricated buildings, and features high-quality intelligent infrastructure. Utilizing BIM technology, the Group meticulously modeled the building, equipment installation, and decoration design to efficiently organize the structure, air-conditioner, ventilator, water supply and drainage, electrical, terminal points, and other construction components. This significantly improved design accuracy and construction efficiency. In 2023, the project was honored with the "Excellence in Residential Housing Demonstration" award at the Elite Science and Technology Award.

Award Certificate for Longfor Qingdao – Jinglin Jiuxu

Ultra-Low Energy Consumption Buildings

Longfor Group promotes the research, development and application of green buildings with the design standard of creating green and healthy buildings. We give full consideration to climatic conditions, make rational use of the surrounding natural resources, reduce energy consumption during the operation phase of the building by means of natural lighting, natural ventilation, and the use of enclosures to protect the building structure, and continuously optimize the energy structure and increase the use of clean energy to promote the sustainable development of the building.

Since 2021, Longfor has been building ultra-low energy consumption buildings in Shanghai, Beijing, Hefei and other regions, and is committed to providing green, low energy consumption, high-quality environmental living places for the public.

Ultra Low Energy Building Design Plan in Songjiang Yuhujing of Shanghai

Longfor Group has undertaken a project involving the construction of an ultra-low energy building in the Songjiang New City East District of Shanghai. To minimize energy usage, we have made choices to select materials with excellent heat preservation, thereby maximizing the insulation capabilities of walls, doors, and windows. Furthermore, measures such as enclosure structures, inverted roofing, and a segmental thermal bridge design have been implemented to minimize heat loss within the building. Additionally, the procurement of energy-saving products, including energy-efficient doors, heating and air-conditioner systems, ventilator doors, lighting, and elevators, has been carried out to facilitate waste heat recovery and further reduce the building's energy consumption. For enhanced energy management, an energy consumption monitoring system has been installed to provide detailed metering for lighting, air conditioning, and elevators in public areas, thus furnishing data support for future carbon reduction efforts. Upon estimation, the project is anticipated to yield substantial energy savings, amounting to 3,103,300 kWh of electricity, 104,000 m^3 of natural gas, and 859.22 tons of standard coal annually.

Rendering of Ultra-Low Energy Consumption Building in Songjiang Yuhujing, Shanghai

Longfor P-Park has Obtained Multiple Green Building Certifications

Located in the Sino-German Eco-Park, the Longfor Group's Qingdao P-Park project incorporates several advanced green technologies. Some of the buildings in Groups 1-5 and Phase II have been granted a three-star national green building certification, while the remaining buildings have received a two-star national green building certification. Furthermore, all the structures within the P-Park adhere to passive building standards and have been certified by the German PHI[37].

The project incorporates the following green technologies:

- **Passive House Technology**

We utilize high-performance exterior insulation systems, passive exterior windows, a continuous and complete airtightness laver, movable exterior sunshades, passive horizontal pivoting windows, and fireproof doors. The design specifically focuses on the design of non-thermal bridge nodes[38]to address the need for both summer sun shading and insulation and the demand for winter warmth, thereby reducing reliance on air conditioning and other equipment. Furthermore, the incorporation of integrated high-efficiency ventilator units with heat recovery, independent temperature and humidity control systems, intelligent control systems, and integrated household air-source ventilator units aims to achieve intelligent and unified equipment management, thereby reducing non-essential energy consumption. According to data, the average annual heating utilization rate is 39%, with the highest monthly utilization reaching 100%.

Number of self-owned complexes

39%

The highest monthly utilization reaching

100%

- **Clean Energy Utilization**

We extensively install solar panels for water heating and hot water insulation for residents to enhance the adoption of clean energy.

- **Sponge City Technology**

Through techniques such as water-permeable brick paving, flat curbing, and downspout disconnecting, we endeavor to divert rainwater from directly entering the neighborhood rainwater pipe network. Instead, rainwater is directed into recessed green spaces and rain gardens for storage, purification, and infiltration.

[37] The Passive House Institute (PHI) based in Germany is the founder and the foremost authority on passive house technology, and it provides certification for professionals worldwide, ensuring that stringent quality standards for passive houses are met

[38] The design of non-thermal bridge nodes is a critical aspect of achieving ultra-low energy consuming buildings. Thermal bridges generated by non-transparent enclosure structures primarily occur at wall corners, rainwater pipe supports, and other locations. To mitigate the structural thermal bridge at wall corners, insulation layer wrapping is employed, resulting in a thermal bridge coefficient of less than 0.01W/(m · K) in this area.

Green and Healthy Building

Creating a High-Quality Green Building--Glory of Galaxy Project in Xi'an

Adhering to the health concept of green habitat, the Glory of Galaxy Project in Xi'an performs an in-depth analysis of environmental protection across the entire building life cycle, encompassing construction and building usage. The evaluation process covers air quality, water efficiency, lighting, and acoustic comfort, aiming to establish a high-quality green building.In 2023, the Glory of Galaxy Project in Xi'an earned the WELL Gold certification.

Glory of Galaxy Project in Xi'an

Acquisition of WELL Certification

International **WELL** Gold Certification

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*, which clarify the green construction standards, and manage issues such as dust and noise during construction. Furthermore, we consider the surrounding environment of the construction site and regularly monitor the surrounding area to minimize the environmental impact.

Dust Management

- Place an automatic vehicle flushing device at the construction site entrance to flush the vehicles, and prepare a three-stage sedimentation tank for the car washing tank.
- Prohibit muddy, overloaded, or unclosed vehicles on the road, and appoint special personnel to check
- Cover the area that is temporarily not under construction with dust nets when conducting earth construction work
- Install sprinklers around the construction site to sprinkle and water regularly
- Spray water mist for engineering unloading during earthwork construction
- Set up a dust monitoring system

Waste Water Treatment

- 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
- Set filters in cafeteria and shower room sewer lines of the living area and connect them to the municipal sewage pipeline to ensure smooth drainage

Waste Gas Treatment

- 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

Green Construction Measures

Water and Energy Conservation

- Control the water consumption at the construction site and set the sprinklers to be turned on and off at regular intervals
- Use groundwater for projects in need of precipitation by design
- Set up rainwater collection tank
- Use water-saving, energy-saving living appliances and on-site lighting, such as LED
- Use centralized low-voltage charging cabinets

Garbage Treatment

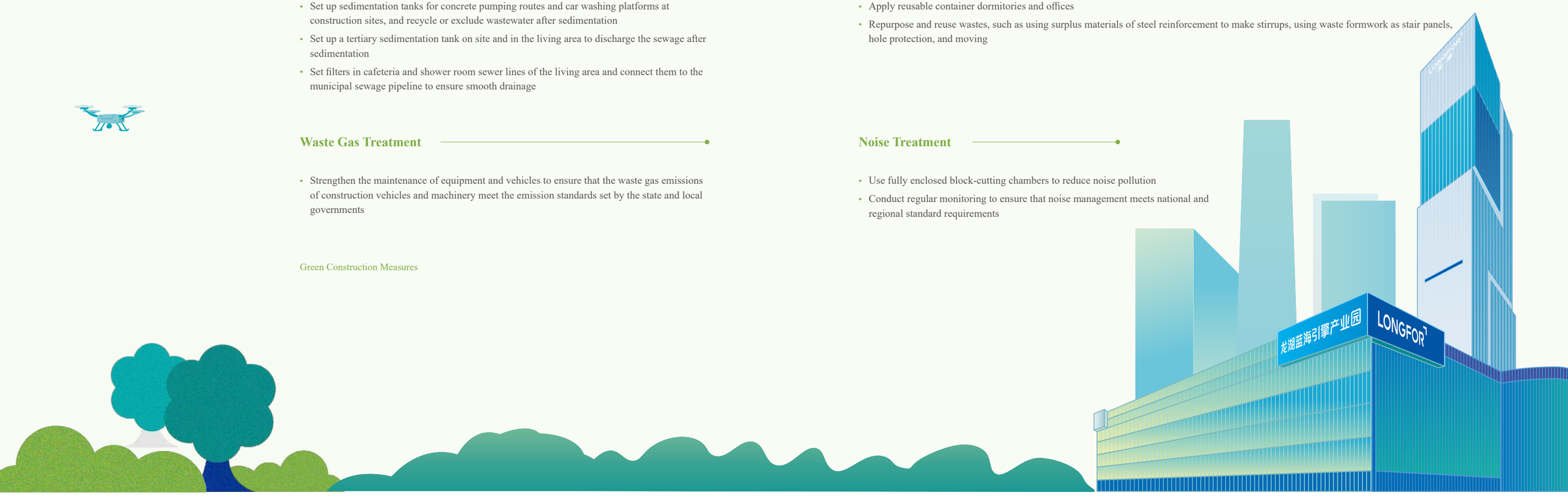
- Timely clean garbage and dirty on the construction site
- Store living and construction garbage by classification, entrust dumping companies for transportation and specify the use of enclosed garbage truck
- Prohibit the burning of various waste on the construction site and surrounding areas

Recycling

- Apply reusable container dormitories and offices
- Repurpose and reuse wastes, such as using surplus materials of steel reinforcement to make stirrups, using waste formwork as stair panels, hole protection, and moving

Noise Treatment

- Use fully enclosed block-cutting chambers to reduce noise pollution
- Conduct regular monitoring to ensure that noise management meets national and regional standard requirements



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 resources, and waste management, and promote green leasing to achieve green operation. In 2023, the Group's Longfor Property Management Group obtained ISO 14001 environmental management system certification, while Longfor Hangzhou Dingqiao Paradise Walk and Longfor Shanghai Hongqiao Paradise Walk shopping centers were awarded the title of Green Shopping Mall.

Energy Management

The Group has established a top-to-bottom energy management system by formulating the *Energy Management System of Longfor Space Services Group* and the *Environmental Policy of Longfor Group*[39] the Commercial Department has formulated the *Management System of Water and Electricity Charges of Commercial Headquarters 2023 V1.0* and the *Standard Guidelines of Equipment System Control Strategy of Commercial Headquarters Paradise Walk 2023 V1.0*; the Property Management Department has formulated the *Operation Guidance of Energy Consumption Management*, the *Operation Guidance of Equipment Operation Strategy* and other internal systems. We also establish a five-level energy consumption structure standard and a utility billing management system. In 2023, we set energy usage targets to comprehensively promote the Group's refined energy management in the course of its operations, efficiently utilize energy, and enhance its green competitiveness.

Group

- Set annual energy consumption targets and disseminate them to each business unit
- Conduct quarterly audits on regional energy consumption and implement suitable incentives and penalties based on the findings

Business Units

- Appoint dedicated staff to collect and analyze energy consumption data
- Generate monthly energy management reports and deliver them to the Group's energy management engineers

Regional Companies

- Deploy regional energy management personnel to conduct biannual energy-related inspections for all projects within their jurisdiction.

Longfor Group Energy Management System

[39] https://www.longfor.com/upload/file/2023-06-07/16ca4d5f-b7fe-423b-b261-eec37c577204.pdf

The energy consumption target and progress of commercial operations in 2023:

Based on previous electricity consumption data, we setted a energy consumption target of **59.5** kWh/m^2; we actually consumed energy of **59.1** kWh/m^2, thus achieving the target in 2023.

Based on previous natural gas consumption data, we setted a gas consumption target of **1.8** m^3/m^2; we actually consumed gas of **1.6** m^3/m^2, thus achieving the target in 2023.

The Group makes lean use of energy and implements various energy-saving measures to enhance energy efficiency. These include the deployment of energy-saving technologies, the refurbishment of energy-intensive equipment, the adoption of intelligent operation and maintenance systems, and the implementation of lean operation and maintenance modes.

Lighting

- Adopt smart lighting
- Replace lighting in the non-motorized garage with dual illumination/sensor fixtures
- Add limit switch to lighting circuits of the equipment room
- Reduce lighting hours for fixtures and floodlights in lobbies, light halls, normally closed garages, etc.

HVAC

- Actively promote the transformation of low-NO_x high-efficiency boilers to reduce heating energy consumption in winter. In 2023, Longfor Commercial completed the replacement with high-efficiency condensing boilers in nine in-operation projects, and eight in-operation projects are transforming high-efficiency cold station projects
- Air conditioning retrofit with temperature control modules
- Centralized air conditioning auxiliary monitoring system - data extrapolation,realizing centralized monitoring

Power

- Replace storage-type tap water pumps with water supply equipment without non-negative pressure for older projects
- Install an elevator energy regeneration device, which can return the power generated when the elevator goes up with no load and down with full load to the power grid where the elevator is located, and at the same time, it can replace the original braking of the elevator and reduce the operating temperature of the elevator control system

Operation and Maintenance Management

- Based on the intelligent platform, the energy consumption management strategy is implemented in multi-industrial space zones, fully embodying the ability of man-machine combinations to control energy.

Energy Efficiency Initiatives

Pilot Retrofit of High-Efficiency Cooling Stations at Nanjing Longwan Paradise Walk

At the start of 2023, Longfor Commercial finalized the pilot retrofit of high-efficiency cooling stations at the Nanjing Longwan Paradise Walk project. Following the renovation, each core equipment in the cooling station system at Nanjing Longwan Paradise Walk was equipped with automatic machine operation adjustments, frequency control, and optimization search features, increasing the system's automation level. This ensured water and air balance throughout the air-conditioner system, leading to improved efficiency and energy savings. According to data, as of the end of the Reporting Period, the high-efficiency cooling station retrofit at Nanjing Longwan Paradise Walk saved a total of 500,000 kilowatt-hours of electricity with a energy efficiency rate of 17.4% and reduced carbon dioxide emissions by 250 tons.

While improving the efficiency of energy use in our own operations, we start from the smallest detail in our daily life and actively provide energy-saving and emission reduction programs and services to our customers to further reduce non-essential energy consumption.

Equipment Retrofit

- Water heater energy-saving retrofit with time control
- Energy-saving transformation of limit switch in the equipment room to ensure that the light is on when the door is opened and off when it is closed
- Frequency conversion transformation of the exhaust hood, which can automatically adjust the power according to the use of the scene, and according to estimates, can reduce electricity consumption by 20% year-on-year

Updated Energy-saving Program

- By analyzing the customer traffic and parking lot traffic, according to the fact the square has less customer traffic from Monday to Friday and more customer traffic from Saturday to Sunday, we adopt the plan of using municipal direct water supply from Monday to Friday, and using secondary water supply pumps on Saturday and Sunday, to ensure the water quality of the water tank and normal operation of the water pumps, which saves about 121,000kWh of electricity per year

Operation and Maintenance Management

- Timely check and verify abnormal energy consumption data through utility billing documents
- Troubleshooting, overhauling, and cleaning of air conditioners before summer, saving energy consumption by 12%

Energy Saving and Consumption Reduction Practice of Longfor Commercial Service

Furthermore, the Group optimizes its energy mix by increasing the proportion of clean energy utilized. This involves allocating exclusive space for photovoltaic power generation in new buildings and developing energy consumption strategies. Simultaneously, efforts are being made to explore new energy applications in existing buildings, such as installing additional solar lights, photovoltaic panels, and other devices.

In 2023, Longfor Commercial expanded the pilot application of distributed photovoltaic power generation systems and set renewable energy targets for new and existing commercial projects. For more details, please refer to the "New Energy Applications" section.

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 set annual water-saving targets, apply and renovate water-saving equipment, continuously strengthen water resource management and ensure effective water resource utilization.

The water saving target and progress of commercial operations in 2023:

Based on previous water consumption data, we setted a water consumption target of **0.71** m^3/m^2;

we actually consumed energy of **0.68** m^3/m^2, thus achieving the target in 2023.

The Group actively adopts water-saving equipment and technologies to optimize water resource utilization. On this basis, we have enhanced water usage management by requiring commercial properties to establish annual water consumption targets and break them down into specific business processes. We conduct continuous monitoring of water consumption in office areas and operational projects, alongside regular inspections and maintenance of water facilities and pipeline networks to minimize wastage such as water running, emitting, dripping, and leaking. To promote water conservation awareness, "Water Conservation" posters are displayed to remind individuals to turn off taps and conserve water appropriately.

Water-Saving Devices

- Utilize water-saving devices, including constant flow and pressure water-saving mechanisms
- Implement float ball valves to automatically cease water replenishment, preventing water wastage through float ball pressure
- Adjust the optimal angle of use for water-saving devices based on their characteristics (e.g., sensing distance) to maximize water conservation benefits
- Apply a temporary control system for leaking pipe networks to reduce water loss in green pipe networks
- Adopt micro-sprinkler watering technology for water conservation

Water-Saving Technology

- Implement concepts of sponge city for water recycling design
- Adopt rainwater and wastewater recycling technology for irrigation purposes
- Promote rainwater storage ponds to utilize rainwater for indoor toilet flushing, road washing, and irrigation

Application of Water-saving Equipment and Technology

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.

Wastewater

Domestic wastewater: it undergoes unified collection, utilizing the municipal sewage network for centralized treatment of urban wastewater.

Waste Gas

Oil smoke exhaust: implement automatic monitoring of emission outlets, and install two-stage oil smoke purifiers to reduce exhaust emissions and ensure compliance with relevant regulations.

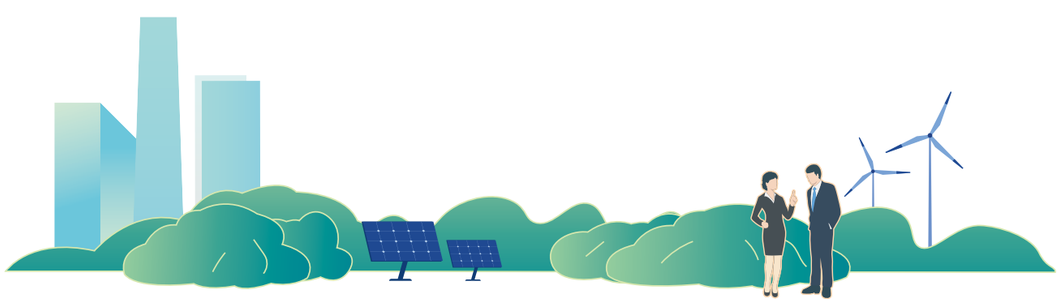
Solid Waste

Hazardous wastes such as printer cartridges and waste lamps: establish a dedicated location and recycling process.

Electronic waste including computer parts and batteries undergo classification and centralized professional treatment in accordance with the *Management Measures for Prevention and Control of E-waste Pollution.*

Green Office

Longfor Group promotes the conception of green environmental protection and embraces a green office approach. The Group has developed internal documents such as the *Environmental Management System*, the *Energy Management System*, and the *Green Office Management System*. Longfor Group implements various measures to conduct energy and resource conservation actions, periodically integrating energy-saving initiatives into training and public awareness programs. This is to enhance the awareness of low-carbon living among employees and ensure the application of green office principles throughout the Group's operations.



Energy Consumption

- Mandate the shutdown of select lights during non-working hours, and assign specialists to switch off non-essential lighting equipment in the office area before the day's end.
- Ensure timely switching off of lights in meeting rooms and display signage at the entrances and exits of the meeting rooms.
- Implement time-controlled or light-dependent devices to separately regulate holiday, weekday, and cleaning lighting, and perform routine inspections.
- Turn off the central air-conditioner in meeting rooms in a timely manner and post signs at the entrances and exits of meeting rooms to remind staff to turn off the air-conditioner at all times.
- When using air-conditioning, close doors and windows to reduce the intensity of indoor sunlight in summer.
- Try to bring in natural air as much as possible, control the indoor temperature by air-conditioner at 26 degrees, and reduce the frequency of use of air-conditioner.
- Carry out timely maintenance and repair of air-conditioners in offices, and clean the isolation net of air-conditioners and ventilators in a timely manner to reduce unnecessary energy consumption.

- Elevators are operated in parallel control mode, and elevators stopping at the nearest floor should be given priority.
- The escalator adopts frequency conversion mode, and if no one rides for 60 seconds, the speed will be reduced to 20%.
- Set computers and other office supplies to power-saving mode.
- Promote the use of power-saving modes for computers, printers, copiers, shredders, water heaters, and other electrical equipment.
- When purchasing new electrical appliances, select energy-saving products as much as possible.

Water

- Promote the use of water-saving appliances, choose faucets with delayed automatic closing, and induction and ceramic leakproof faucets according to different water usage scenarios
- Regularly inspect pipeline valves, water pressure, and pipeline joints to prevent water running, emitting, dripping, and leaking

- Turn off water equipment at any time after using the water
- Use phosphorus-free detergents and biodegradable cleaning products as much as possible to reduce domestic sewage discharge
- Use containers to hold water as much as possible and prohibit rinsing items with running water for a long time
- Actively take measures to promote the secondary utilization and recycling of water resources
- Engineering personnel check, count and assess monthly the total water consumption
- Post reminders on water conservation in bathrooms, shower rooms, tea rooms, and other locations to help employees develop the habit of saving water and turning it off whenever

Resource Use

- Promote the recycling and reuse of single-sided used paper when printing and copying
- Set up office paper recycling boxes to collect double-sided used copy paper, old envelopes, letterheads and wrapping paper.
- Promote the use of recycled paper, pens with replaceable inserts, toner cartridges, rechargeable batteries and other recyclable items.
- Promote paperless office and the use of e-mail for information and document circulation.

- Designate a person to manage daily office supplies and strictly control the purchase and use of consumables.
- Carry out regular maintenance of office equipment to prolong its service life and enhance the efficiency of resource utilization
- Strengthen the management of various instruments and equipment, optimize the configuration, and improve the utilization rate and efficiency of use
- Advocate the use of old materials, and unified recycling of old materials that can be used.
- Promote the reduced use of disposable items
- Promote reduced use of paper towels
- Encourage the use of alternating current when using electrical appliances in the office to reduce the amount of waste batteries

Green Leasing

The Group actively collaborates with tenants to implement the principles of green development, establish a comprehensive green leasing system, and explore various green leasing models. We sign green lease agreements with tenants, integrating environmental protection measures such as energy conservation, water efficiency, waste management, and recycling into our daily operations. Additionally, we conduct green advocacy and education to raise awareness of sustainable development. In 2023, over 95% of Longfor's commercial property tenants signed more than green leasing contracts.

In the green leasing contract, we include the following content:

During Renovation

- Tenants must adhere to national and local environmental regulations and policies, use building materials and equipment that meet applicable national or local environmental standards, and incorporate green building materials and products;
- We provide tenants with advice on energy saving and resource efficiency under proper management.

During Operation

- Tenants are mandated to prioritize the selection and use of equipment and facilities with low energy consumption and in compliance with environmental protection standards;
- Routine inspections and maintenance of public facilities and equipment are conducted to make the mall greener and more energy-efficient. Tenants are invited to engage in environmental protection activities with the concept of energy conservation.

New Energy Applications

Longfor Group actively explores the integration of Building-Integrated Photovoltaic (BIPV)[40]technology, ultimately increasing photovoltaic usage. The Group also embraces Building-Attached Photovoltaic (BAPV)[41] systems tailored to the specific characteristics of buildings and properly applies photovoltaic building components, which maintains the overall performance of the building while making it more beautiful and green. In 2023, the BAPV and BIPV pilot projects for the Qujiang Starry Street renovation initiative were officially launched in Longfor Xi'an. During the renovation, the optical glass for Building Integrated Photovoltaics (BIPV) was installed on the facade to optimize nearby lighting supply and distribution. This tailored approach, compared to traditional large-scale BIPV configurations, emphasizes efficient power supply routing, minimizes wiring losses, enhances distribution efficiency, and effectively reduces carbon emissions.

In 2023, the Group initiated pilot programs for distributed photovoltaic power generation systems. As of the end of 2023, distributed photovoltaic power generation systems had been installed on the roofs of five operational commercial projects, including Shishan Paradise Walk in Suzhou, Jinsha Paradise Walk in Hangzhou, Yanghu Paradise Walk in Changsha, Qingshanhu Paradise Walk in Nanchang, and Furong Paradise Walk in Changsha. This initiative resulted in a total annual power generation of 1 million kWh, achieving 100% consumed internally during the shopping mall's operation.

Amidst the continuous increase in clean energy utilization, we have set annual targets to augment the procurement of green electricity. In 2023, the Group purchased green electricity for 11 ongoing commercial projects, including Changying Paradise Walk, Daxing Paradise Walk, and Fangshan Paradise Walk, with a total purchase volume of 46 million kWh, leading to a carbon reduction of 28,000 tons. Looking ahead to 2024, we plan to further increase the procurement of green electricity for commercial projects to mitigate carbon emissions.

[40] Building-Integrated Photovoltaic (BIPV) is the technology that incorporates solar PV products into buildings

[41] Building Attached Photovoltaic (BAPV) refers to a solar photovoltaic power generation system installed on existing buildings

In 2023, the use of clean energy in new projects of Longfor Group

Number of air-source heat pump projects

3

The percentage of hot water generated by air-source heat pump in new projects applying air-source heat pump technology

41%

Number of solar hot water projects

7

The percentage of hot water generated by solar energy in new projects applying solar water heating technology

27%

Number of solar photovoltaic projects

4

Additionally, we continue to explore the application of tubular daylighting systems to reduce the use of lighting equipment by enhancing the utilization of natural light sources. In order to ensure that the utilization of the tubular daylighting system is maximized, we consider the lighting demand and usage scenarios in the stage of design, actively search for tube distribution and distributor location, and determine the brightness of the light source. In the stage of construction, the location of the tubes should be coordinated with the landscape to maximize the lighting effect to the greatest extent possible. In the stage of operation and maintenance, we regularly clean the surfaces of the lighting covers and diffusers, to maintain good light transmittance.

Tubular daylighting system

Green Ecology

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 also have formulated the *Biodiversity Framework*[42], which integrates the concept of protecting the ecological environment into planning, design, construction and operation. The Group actively carries out environmental impact assessments, ecological governance, and biodiversity protection, continuously improves public environmental awareness, and helps build green cities to promote the realization of the great wish of harmonious coexistence between humans and nature. In 2023, Longfor had no general or major environmental incidents.

Commitments

In line with our commitment to greenfield development, we refrain from developing projects in national nature reserves located on the World Heritage list and International Union for Conservation of Nature (IUCN) Inventory categories I-IV protected areas.

Prior to the construction of the project, we will strictly comply with relevant laws and regulations, conduct risk assessment and investigation, including obtaining the biodiversity factors of the project site, and avoid occupying farmland or green space for development. After obtaining the approval of the relevant departments, we will carry out the construction in compliance with the green building standards and minimize the impact on the green space and the surrounding ecosystems during the subsequent development process, and actively improve, optimize, and rectify the environmental problems of the project site itself, and protection and ensure ecological protection and restoration.

Building Green Communities

Longfor Group attaches great importance to the impact of its own operations on the surrounding environment and has formulated the *Community Management Policy*[43] to integrate community management into the full lifecycle planning of development projects and build a friendly community ecology.

Community Impact Monitoring

- We extensively exam the surrounding environmental factors prior to the commencement of project development, formulate environmental monitoring plan to cover the entire project lifecycle, including monitoring and in-depth analysis at all stages of the project.

Community Impact Assessment and Mitigation

- To minimize adverse impacts on the local community, we conduct regular assessments of potential environmental impacts, including risk level analyses for factors such as increased noise and traffic congestion.
- We develop and implement mitigation plans based on the identified environmental risks.

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

[43] https://www.longfor.com/upload/file/2024-04-22/b0cfc0ad-cf7c-4a7a-ad89-d3d1038b5af8.pdf

Community Communication

- Throughout the construction and operation phases of the project, we open multiple online communication channels. Our internal systems, such as the sonar warning mechanism, are leveraged to ensure seamless community communication to quickly respond to community and stakeholder needs.
- Regular feedback and suggestions from the community are collected, and in-depth research is conducted to address and prevent environmental issues.

In community management, Longfor actively responds to the national initiative of waste classification and proper treatment. We have established a dedicated garbage sorting management team for each project, ensuring that garbage sorting is effectively carried out. Specific to each community, Longfor arranges for a designated individual to oversee garbage sorting at the waste disposal areas. Where this arrangement is not in place, a responsible person is appointed to handle garbage transfer and sorting. Furthermore, regular sampling and assessment of garbage sorting are conducted. We are also engaged in proactive promotional activities, encouraging the public to responsibly sort and dispose of waste. These efforts aim to raise environmental awareness among community residents and instill behavioral norms centered on "reduction, recycling, self-awareness, and self-governance".

Promotion

- Promote the initiative through channels such as property office areas, garbage disposal sites, WeChat groups, and public display areas
- Implement garbage sorting promotion activities through door-to-door visits or online methods

Guidance and Rectification

- Engage with property owners who irregularly dispose of garbage without proper sorting
- Provide guidance to homeowners for the accurate disposal of garbage, offering reminders or supervising changes to their non-compliant behavior
- Perform on-site follow-up visits to understand homeowners' garbage sorting challenges and optimize the garbage sorting plan
- Ensure the proper sorting and disposal of mixed waste

Waste Sorting Measures in Community

In the medical care project, we implement a waste classification system encompassing dry, wet, recyclable, hazardous, and medical waste. Moreover, we promote the reduction of waste generation by eliminating the use of disposable tableware.

- Recyclable items such as paper and metal: specialized sorting for resource recovery and reuse;
- Hazardous materials like batteries and lamps: categorized and transferred to authorized companies for compliant treatment, safeguarding the community environment.

Biodiversity Conservation and Restoration

Longfor actively engages in environmental governance activities to protect and restore the natural ecosystem and establish an environmentally friendly, harmonious, and livable living environment. In brownfield areas, specifically at sites such as waste industrial plants affected by soil contamination, we engage in proactive communication and collaboration with government authorities. This collaborative effort involves constructing a risk assessment system for contaminated sites, implementing soil remediation programs in compliance with regulations, and pursuing brownfield projects in adherence to third-party audits and approvals.

Ecological Management of Longtang Lake Park in Chongqing

In order to maintain the stability of the urban ecological environment, the Group has carried out ecological governance on the Longtang Lake Park around Longfor Lijia Paradise Walk. The park, prior to construction, encountered challenges like hardened barges, aging equipment, and weak hydrophilicity. As a result, we developed a comprehensive ecological planning and design for Longtang Lake Park to safeguard and rejuvenate the original vegetation while creating an ecological barge to sustain ecological stability. Simultaneously, we integrated public recreation and entertainment functions without disrupting the park's ecology, fostering an enhanced connection between humans and nature, and realizing the harmonious coexistence of both.

Comparison of Chongqing's Longtang Lake Park Before and After Ecological Management

Shoreline Treatment for Yantai Yanlan Beach

In order to prevent soil erosion along Yanlan Coast Beach, Yantai, Longfor protects the integrity of the natural landscape by stacking untreated natural stones, ensuring windbreak and preventing sand displacement. We establish ecologically enhanced areas for public recreation and fitness, such as the Music Highway, Coastal Sports Park, and Joyful Beach, along the coastline, fostering increased interaction between humans and nature.

Yantai Yanlan Coast Beach after Ecological Treatment

Water Quality Treatment of Xingyu Sea, Fuxian Lake, Kunming

In 2023, the Group continued its management of Fuxian Lake's water quality, emphasizing the establishment of an underwater ecological forest. This entailed the strategic planting of varied aquatic plants and the inclusion of local aquatic fauna, microorganisms, and benthos to cultivate a stable, near-natural aquatic ecosystem within the river channel. Additionally, the implementation of green water storage facilities facilitated the filtration and utilization of rainwater, significantly enhancing water retention. To ensure the artificial lake's ecological stability, we arrange personnel for daily monitoring and maintenance, thereby achieving the purification objective during the dry season.

Post-treatment Landscape of Xingyu, Fuxian Lake, Kunming

Sponge City of Glory of Galaxy Project in High-tech Zone

The concept of sponge cities, designed to enhance urban resilience in the face of environmental shifts and rain-induced natural disasters, has garnered increasing support from both the public and governmental bodies. The Group proactively integrated the sponge city approach into its projects, bolstering the city's capacity to absorb, store, infiltrate, and purify water.

Within Glory of Galaxy Project in High-tech Zone, Xi'an, the Group capitalized on its proximity to the Yong'an Canal Sponge City Park, preserving green space in the adjacent area, and selecting greenery consistent with the park. This optimization of habitat conditions for the park's flora and fauna fostered biotic cohesion with the city's ecological zone.

Green Space in Glory of Galaxy Project in High-tech Zone

Index of the HKEX ESG Reporting Guide

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A. Environmental		
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General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P105-132
A1.1	The types of emissions and respective emissions data	P148-149
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)	P115
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P149
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P148-149
A1.5	Description of emission target(s) set and steps taken to achieve them	P108-115
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	P132
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P128-136
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)	P148
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P148
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	P128-136
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	P134
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	Policies on minimising the issuer's significant impacts on the environment and natural resources	P137-140
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P137-140
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P110-115
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	P112-114

Indicator	Description	Page
B. Social		
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B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region	P90-91
B1.2	Employee turnover rate by gender, age group, and geographical region	P90-91
Aspect B2: Health and Safety		
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	P97-103
B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year	P99
B2.2	Lost days due to work injury	P151
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	P100-103
Aspect B3: Development and Training		
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B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P93
B3.2	The average training hours completed per employee by gender and employee category	P93
Aspect B4: Labour Standards		
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P90-91
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Aspect B5: Supply Chain Management		
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B5.1	Number of suppliers by geographical region	P76
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	P77
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P77
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P78-79

Indicator	Description	Page
Aspect B6: Product Responsibility		
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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	P64-65
B6.3	Description of practices relating to observing and protecting intellectual property rights	P80-82
B6.4	Description of quality assurance process and recall procedures	P56-57
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	P71-72
Aspect B7: Anti-corruption		
General Disclosure	(a) the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P29
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	P29
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	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P32-53
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	P32-53
B8.2	Resources contributed (e.g. money or time) to the focus area	P50、P149

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) The reuse of Urban Recycling Water-Water Quality Standard for Scenic Environment Use (GB/T 18921) National Catalogue of Hazardous Wastes Regulations on the Administration of the Prevention and Control of environmental Pollution by Electronic Waste Regulations on the Management of Domestic 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 List of Recommended Measures for Energy Saving and Consumption Reduction Longfor Group Asset Management Measures Longfor Space Service Group Project Material Management Measures 2022 Management System of Water and Electricity Charges of Commercial Headquarters 2023 V1.0 Standard Guidelines of Equipment System Control Strategy of Commercial Headquarters Paradise Walk 2023 V1.0 Operation Guidance of Energy Consumption Management Operation Guidance of Equipment Operation Strategy	
A3 Environment	Longfor Environmental Policy Climate Change Policy Guidelines of Longfor Group on Implementing Carbon Peaking And Carbon Neutrality Strategy 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(DGJ08-205-2015) 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 Project
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 Law on the Protection of Workers' Rights and Benefits International Labor Organization Conventions
B2 Health and Safety	Longfor Group Engineering Safety Management System 2022 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 Engineering Safety Management System for the Real Estate Headquarters Real Estate Headquarters Regulations for Rewards and Punishments of Engineering Management Real Estate Headquarters Engineering Safety Management System 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 Regulations on the Reporting and Investigation of Workplace Safety Accidents Standards for Safety Inspection of Construction Supervision Labor Law of the People's Republic of China
B3 Development and Training	Employee Occupational Sequence and Occupational Level Management Measure Group Running Water Plan Rules 2021 Employee Occupational Sequence and Occupational Level Management Measure	
B4 Labor Standards	Longfor Group Human Rights Policy	Universal Declaration of Human Rights UN Convention on the Rights of the Child Convention on the Elimination of All Forms of Forced Labour Provisions on the Prohibition of Child Labour
B5 Supply Chain Management	Longfor Supplier Code of Conduct Longfor Group Supply Chain Function Assessment Methods Group Construction Materials and Equipment Procurement and Supply Management Methods Real Estate Headquarters Construction Materials and Equipment Procurement and Supply Management Methods Group Bidding Management Principles Version 2021 V3.0 Real Estate Headquarters Design Tender Management Principles 2023 Real Estate Headquarters Cost Management System 2023 Real Estate Headquarters Construction Resource Management System 2023 Real Estate Headquarters Construction Materials and Equipment Procurement and Supply Management Methods 2023 Real Estate Headquarters Sales and Facility Construction Cost Management System 2023 Integrity Cooperation Agreement Green Procurement Policy	Government Procurement Law of the People's Republic of China Bidding Law of the People's Republic of China

ESG Indicator	Internal Policies	Laws & Regulations
B6 Product Responsibility	List of Key Management Actions for Project Quality of Group 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 Operational Guidelines for Customer Interviews Longfor Group Operation Guidelines for Customer Interview - Customer Service Operational Guidelines for Customer Interviews Graded Service Work Standards Management System for Customer Satisfaction in the Real Estate Headquarters Management Measures for House Delivery Evaluation in the Real Estate Headquarters Management System for Compensation in the Real Estate Headquarters Group Major 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 Group Goyoo Public Opinion and Customer Litigation Risk Management Standards Group Guanyu Crisis Event Handling Guideline Goyoo and Hotel Headquarters Goyoo Operation Redline System 2022 Longfor Customer Satisfaction Fund Management Implementation Measures Responsible Marketing Policy of Longfor Group Letter of Commitment on Marketing Red Line Behavior Marketing Alert Book Standard Management System for Residential and Sales Site Staff Housing of Property Service Group List of Key Management Actions for Project Quality of Group Real Estate Headquarters Engineering Quality Management System Specification for Information Notification of Official Assistance Matters	Product Quality Law of the People's Republic of China Construction 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) Information Security Technology—Personal Information Security Specification (GB/T 35273-2020) Technical Specification for Fabricated 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 Information Security Technology—Personal Information Security Specification (GB/T 35273-2020)

ESG Indicator	Internal Policies	Laws & Regulations
B6 Product Responsibility	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 Longfor Group Client-side Publicity Management System Guidelines for Patent Classification of the Group Guidelines for the Assessment of Patent Agents of the Group Group Data Security Management System 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 Headquarter Customer Data Management Measures Security Audit Management Measures Platform Empowerment Personal Information Protection Management System 2023 Platform Empowerment Personal Information Security Incident Emergency Response Plan Provisions 2023 Platform Empowerment Privacy Policy Compliance Key Points and Guidelines for Writing 2023	
B7 Anticorruption	Longfor Code of Business Conduct Group Whistleblower Protection System Empowerment Platform Whistleblower Protection System	Anti Money Laundering Law of the People's Republic of China Prevention of Bribery Regulations Law of the People's Republic of China against Unfair Competition
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) Longfor Volunteer Service Incentive over21,000 Measures	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 Regulation on The Administration of Foundations Circular of the State Council on the Issuance of the Implementation Plan for the National Reform of Vocational Education Guiding Opinions on Comprehensively Promoting the Renovation of Old Urban Neighborhoods Guiding Opinions on Accelerating the Implementation of Elderly-oriented Retrofitting Projects for the Elderly at Home

Table of ESG Data Indicator Performance

Economic Indicators

	Unit	2023	2022	2021
Total Assets	RMB billion	700.4	786.8	875.7
Net Assets	RMB billion	236.5	233.2	221.9
Revenues	RMB billion	180.7	250.6	223.4
Core Attributable Profit	RMB billion	11.4	22.5	22.4

Governance Indicators

		Unit	2023	2022	2021
Annual Risk Identification and Assessment	Number of audit activities	/	20+	17+	20+
	Number of audit findings	/	100+	125	50+
	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	6.5	2.2	4.4
	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	/	556	800+	800+
	Valid complaints	/	446	381	345
Anti corruption	Risk of systematic corruption	/	0	0	0

Environment Indicators

Green Building

	Unit	2023	2022	2021
Throughout this year, the number of green building-certified projects	/	4	8	34
Throughout this year, the project area certified as green building	million square meters	0.43	1.28	4.3
Throughout this year, the proportion of the Group's project area that meets green building standards	%	100	100	96.7
As of the end of this year, the total number of Longfor's projects that meet national green building standards	/	581	548	499
As of the end of this year, the total area of Longfor's projects that meet national green building standards	million square meters	130+	130+	90+

Energy Consumption

	Unit	2023[44]	2022	2021
Petrol	L	28,196.00	31,963.06	45,559.14
Diesel	L	82,197.00	225,200.97	172,776.02
Natural gas	m^3	11,886,578.87	9,472,032.85	12,417,486.16
Purchased electricity	kWh	1,123,289,886.81[45]	814,471,619.54	790,003,394.74
Purchased heat	GJ	300,201.42	176,697.41	/
Comprehensive energy consumption[46]	tce	162,867.48	117,944.09	112,437.48
Comprehensive energy consumption density	tce / revenue of RMB 10,000	0.0090	0.0047	0.0050
Water consumption	m^3	30,638,636.50	22,806,286.30	23,038,950.22
Water consumption density	m^3/revenue of RMB 10,000	1.70	0.91	1.03

Greenhouse Gas Emissions[47]

	Unit	2023[48]	2022	2021
Scope 1 emissions	tCO_2e	26,264.71	21,372.96	26,522.60
Scope 2 emissions	tCO_2e	645,634.38[49]	587,625.15	613,586.31
Total emissions	tCO_2e	671,899.09	608,998.11	640,108.91
Greenhouse gas emission density	tCO_2e/revenue of RMB 10,000	0.03718	0.02430	0.02865

Waste

		Unit	2023[50]	2022	2021
Non-hazardous Waste	Office paper	kg	457,786.00	477,413.48	489,692.40
	Household waste	ton	2,112,789.51	1,765,047.89	832,068.95
	Earthwork/muck/Decoration/ building/demolition garbage	ton	7,152,072.18	6,314,475.50	5,611,691.50

[44] In 2023, Longfor Group's energy consumption statistics cover administrative offices, property development, commercial investment, asset management, management for the owned and developed property, and smart construction. However, data on the smart construction business in 2022 and prior years are not included.

[45] In 2023, Longfor Group purchased 46 million kWh of green electricity, which falls under purchased electricity.

[46] 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.

[47] GHG emissions refer to WRI's Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard), covering the emissions from Scope 1 (direct emissions) and Scope 2 (indirect emissions) during Longfor Group's operational phase. Scope 1 refers to direct greenhouse gas emissions from sources owned or controlled by Longfor Group, including total gasoline, diesel fuel, and natural gas consumption; Scope 2 signifies indirect greenhouse gas emissions from purchasing or acquiring electricity and heat generated by Longfor Group.

[48] In 2023, Longfor Group's Greenhouse Gas Emission statistics cover administrative offices, property development, commercial investment, asset management, management for the owned and developed property, and smart construction. However, data on the smart construction business in 2022 and prior years are not included.

[49] In 2023, Longfor Group purchased 46 million kWh of green electricity, exempting it from Scope 2 emissions.

[50] In 2023, Longfor Group's waste statistics cover administrative offices, property development, commercial investment, asset management, management for the owned and developed property, and smart construction. However, data on the smart construction business in 2022 and prior years are not included.

		Unit	2023	2022	2021
Non-hazardous Waste	Toner and Drum Cartridge	kg	5,562.68	6,928.09	5,006.07
	Others[51]	ton	181,664.76	221,409.39	151,959.75
	Total discharge of non-hazadous waste	ton	9,446,989.80	8,301,417.00	6,596,214.89
	Discharge density of non-hazardous waste	ton/ RMB10,000 of revenue	0.52	0.33	0.30
Hazardous Waste	Waste lamps/bulbs	kg	102,231.60	184,955.86	145,695.72
	Others[52]	ton	2,093.56	2,229.86	1,743.11
	Total discharge of hazadous waste	ton	2,195.79	2,414.82	1,888.81
	Discharge density of hazardous waste	ton/ RMB10,000 of revenue	0.000121	0.000096	0.000085

Community Public Welfare

	Unit	2023	2022	2021
Charitable Donation	RMB million	96	138	416

Products and Services

	Unit	2023	2022	2021
Customer Satisfaction	%	91.2	90.0[53]	92.3

Employees

		Unit	2023	2022	2021
Total number of employees		/	29,116	31,565	44,065
Divided by gender	Male	/	16,226	18,142	26,823
	Female	/	12,890	13,423	17,242
Divided by employee category	High-level	/	72	79	94
	Middle-level	/	908	941	1,142
	Entry-level manager	/	2,915	3,165	4,268
	Employees	/	25,221	27,380	38,561
Divided by age	Under 30	/	10,457	12,172	17,155
	30 (inclusive) to 50 (exclusive)	/	17,436	17,976	24,661
	Above 50 (inclusive)	/	1,223	1,417	2,249
Divided by region	Chinese Mainland	/	29,109	31,559	44,051
	Hong Kong SAR Macao SAR and Taiwan of China and Overseas	/	7	6	14
Divided by employment type	Part-time employees	/	0	0	-
	Full-time employees	/	29,116	31,565	-
Divided by educational background	Junior college and below	/	13,361	15,068	-
	Undergraduate	/	12,696	13,149	-
	Postgraduate	/	3,025	3,307	-
	Doctor	/	34	41	-
Divided by ethnic background	Employees from ethnic minorities	/	1,258	1,361	-
Divided by female proportion	Proportion of female employees in senior management	%	13.43	13.16	-
Employee turnover rate					
Divided by line of business	Turnover rate of real estate division	%	18.86	23.91	22.00
	Turnover rate of non-real estate division	%	23.76	29.79	36.00

Employee Training

			Unit	2023	2022	2021
Total number of employees trained			person	37,533	35,233	47,875
Total online training duration			hour	1,520,838.0	1,266,465.0	1,660,996.0
Training hours per person	Divided by gender	Male	hour	36.8	31.4	36.0
		Female	hour	45.2	41.8	34.2
	Divided by employee category	High-level	hour	4.9	6.8	7.7
		Middle-level	hour	26.1	20.0	27.4
		General employees	hour	41.0	36.5	35.6
Total offline training duration			hour	229,459.7	364,770.5	306,132.6
Training hours per person	Divided by gender	Male	hour	5.7	10.1	7.3
		Female	hour	6.7	10.7	5.0
	Divided by employee category	High-level	hour	34.3	31.1	28.4
		Middle-level	hour	13.8	25.0	19.8
		General employees	hour	5.9	9.9	6.4

[51] Includes office furniture, gardening waste, metal, glass, and batteries.

[52] Includes used computers, grease trap waste, plastic, and waste oil.

[53] Due to the revision of the satisfaction rules by the group in 2023, the customer satisfaction data for 2022 has been adjusted and updated.

Care for Employees

	Unit	2023	2022	2021
Proportion of employees covered by the Group's engagement survey	%	100	100	100
Employee engagement score	%	86	81	83
Employee satisfaction score	%	84	80	80

Production Safety

	Unit	2023	2022	2021
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	/	10	6	10
Number of employees involved in safety training	ten thousand people	5.0	5.7	6.8

Supplier Management

	Unit	As of the end of 2023	As of the end of 2022	As of the end of 2021
Number of suppliers	/	200,812	147,838	123,653
Chinese Mainland	/	199,899	147,368	123,133
Hong Kong SAR Macao SAR and Taiwan of China	/	58	57	46
Overseas	/	855	413	474

Innovation Management

	Unit	2023	2022	2021
Number of software copyright applications	/	13	46	50
Number of software copyright grants	/	13	46	50
Number of patent applications	/	305	280	262
Number of patent grants	/	93	112	112
		As of December 31,2023	As of December 31,2022	As of December 31,2021
Total number of software copyright grants	/	197	184	138
Total number of patent grants	/	483	390	278

GRI Indicator Index

Statement of Use	Longfor Group has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 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			
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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	P90-91
2-8	Workers who are not employees	Supplier Management	P76-79
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2-10	Nomination and selection of the highest governance body	Corporate Governance	P22-24
2-11	Chair of the highest governance body	Corporate Governance	P22-24
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance	P22-24
2-13	Delegation of responsibility for managing impacts	Corporate Governance	P22-24
2-14	Role of the highest governance body in sustainability reporting	Board Statement	P9
2-19	Remuneration policies	Employee Rights and Benefits	P95
2-22	Statement on sustainable development strategy	Sustainability Management	P25
2-29	Approach to stakeholder engagement	Stakeholder Communication	P18
2-30	Collective bargaining agreements	Fair Employment	P90
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	P19
GRI 201: Economic Performance 2016			
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