



濱江服務

BINJIANG SERVICE

濱江服務集團有限公司

BINJIANG SERVICE GROUP CO. LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3316.HK

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

2018

Environmental Social and Governance Report 2018

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ABOUT THIS REPORT

Statement by the Board of Directors

The Board of Directors and all the directors of the Company ensure that there are no false records, misleading statements or material omissions in this report, and they shall bear joint and several liabilities for the authenticity, accuracy and completeness of this report.

Basis of preparation

This report is prepared for the year from 1 January 2018 to 31 December 31 2018 in accordance with Appendix 27 of the Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEX”). This report provides an overview of the Group’s activities over the year and will be posted on the website of HKEX and the official website of the Group.

Publication interval

This is the Group’s first ESG report, which covers the year from January 2018 to December 2018. The next report for 2019 is expected to be released in April 2020.

Scope of Report

The reporting entities are Binjiang Service Group Co. Ltd. and its subsidiaries. The data in respect of their policies, social responsibilities and environmental protection efforts cover all of the Group’s business lines.

Sources of Data

The data used in this report are derived from the internal documents and related statistics of Binjiang Service Group Co. Ltd. and its subsidiaries.

Representations

For ease of presentation, Binjiang Service Group Co. Ltd. is hereinafter referred to as “Binjiang Service Group”, “the Group” or “We.”

1. CHAIRMAN’S ADDRESS

In 2018, China’s economy witnessed growth at medium and high speed. Its GDP reached RMB90 trillion, and the target of approximately 6.5 percent year-on-year growth was fulfilled. Real estate regulation and control policies were issued one after another. Under the governmental policy of “Regulation and Control by Cities,” the industry has seen stable improvement, and the purchased land and new construction areas have maintained high growth. With the continual upgrading of residents’ consumption patterns, the pursuit of consumption quality and service experience has become an important trend. Based on the vision of continually improving service quality, the Group seized market opportunities and followed the development trend closely. Thanks to the unremitting efforts of its staff members at each level, the Group was successfully listed on the main board of the HKEX on 15 March 2019, signifying a new beginning of our development.

Each family is like a small unit of a society, and each neighborhood is a unit of a city. We have always believed that the property service industry is an effective supplement to social governance. Our successful listing improved our brand recognition and gave us access to more financing channels, and going forward we will undertake more environmental, social and governance responsibilities. The description of our policies, actions and performance related to ESG in this report reflects both our firm determination to promote sustainable development and our commitment to upholding accountability and transparency to all of the Group's stakeholders.

In respect of environmental governance, we are carrying out intelligent transformation of our lighting system, reducing greenhouse gas emissions, strengthening the management of water and electricity consumption in daily operations, reducing the consumption of natural resources such as gasoline and natural gas, encouraging paperless office work, and actively practicing the concept of green development. We have vigorously responded to the government's garbage classification initiative, and we have set up supervision and feedback mechanisms for residents' garbage classification responsibilities. We are also providing support for secondary garbage classification. All of these efforts aim to effectively promote the reuse of resources.

The property service industry has a significant impact on labour, employment and social security. In 2018, the overall improvement of the real estate industry and the continual emergence of new building projects gave rise to considerable employment opportunities. We actively implemented our human resources strategy; improved our internal promotion mechanism; formulated an open, fair and transparent recruitment process; set up a more attractive compensation and welfare system, and successfully recruited and cultivated more talents. In this way, we not only improved employment and promoted social stability, but we also laid a solid foundation for our business development and enterprise expansion.

The well-being of the community is closely related to the sustainable development of the Group. In this era, putting an emphasis on both spiritual well-being and material well-being is an indisputable win-win method for property management. Adhering to the business concept of "making lives comfortable and enjoyable", we have carried out a variety of cultural and recreational activities for residents within the community so as to create a living environment where people feel happy and have a sense of belonging. At the same time, we have built a platform for communication between property management and the residents, and between the residents themselves. We have also assumed social responsibilities, participated in social welfare initiatives, and contributed to society through other practical actions.

We remain ambitious to pursue our goals. The successful listing of the Group is both an opportunity and a challenge for us. Binjiang Service Group will continue pursuing the objective of leading the industry and producing high quality standards, while also actively seeking economic, environmental and social benefits. Sustainable development is an important part of corporate governance. With this in mind, we will strive for perfection; continue to explore, improve and enhance the sustainable development management of enterprises; and make greater contributions to the community, society and environment.

At the behest of the Board of Directors

Zhu Lidong

Chairman of the Board of Directors

Zhejiang, China

26 July 2019

2. ABOUT US

Hangzhou Binjiang Property Management Co., Ltd. (hereinafter referred to as Property Company), a Chinese business entity under the Group, was incorporated in the People's Republic of China on 7 April 1995. The Group was listed on the main board of the HKEX on 15 March 2019. Binjiang Service Group devotes itself to high-end residential property management and provides value-added services to both owners and non-owners.

Since its establishment in 1995, the Group has adhered to the principle of “owner first, service first, quality first” and has focused on high-end property management. It has gradually grown from a provider of local residential business management services in Hangzhou, Zhejiang province to a leading high-quality property management service provider in the Yangtze River Delta region. The Group was rated by the China Index Academy as China's Leading Professional Property Services Brand of 2018, and was also awarded the Certificate of China Property Management Brand.

In recent years, the Group has stepped up its pace of outward expansion. As at the end date of this reporting period, the total floor area under our management in 16 cities across Zhejiang province, Shanghai, Jiangsu province and Jiangxi province totalled 11.6 million square metres, representing an increase of 34.9 percent compared with 2017. During 2018 the reserve area reached 9.2 million square metres, representing an increase of 80.4 percent compared with the previous year. 57 residential projects are now under our management, accounting for 75 percent of all projects controlled by the Group. At the same time, the number of non-residential projects under our management increased to 19, representing an increase of 72.7 percent compared with the previous year. Our superb service ability, diversified property management portfolio, and service supplies enable us to enjoy a wide range of revenue sources and business opportunities.

Going forward, the Group will further strengthen and position itself as a leading comprehensive property management service provider in China, continue to expand its property management portfolio and strive to become a leading industry brand and a producer of high quality standards.

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE OVERVIEW

3.1 GROUP ESG STRATEGY

The Group has always adhered to the service concept of “making lives comfortable and enjoyable” and the principle of “owner first, service first, quality first” The Group aims to secure the well-being of owners and residents through more professional and standardised services. At the same time, the Group adheres to the quality policy of “sincerity, innovation, perfection, safety, health and green” and strives to always keep its corporate social responsibility in mind. These policies and principles instill the concept of sustainable development into every aspect of the Group's governance and business and enable the Group to realise economic, social and environmental benefits.

3.2 GROUP ESG GOVERNANCE STRUCTURE

The Group has established a top-down ESG governance structure and an ESG report working commission, which is led by high-ranking managerial personnel and includes intermediate level managers. The working commission consists of representatives from all regular management divisions of the Group, including the Board Office, the Integrated Management Division, the Legal Division, the Finance Division, the Brand Operations Division and each Service Centre. The working commission is responsible for communicating and implementing the strategies, measures and feedback of the Group on issues related to ESG, which plays a central role in the sustainable development of the Group.

3.3 STAKEHOLDER PARTICIPATION

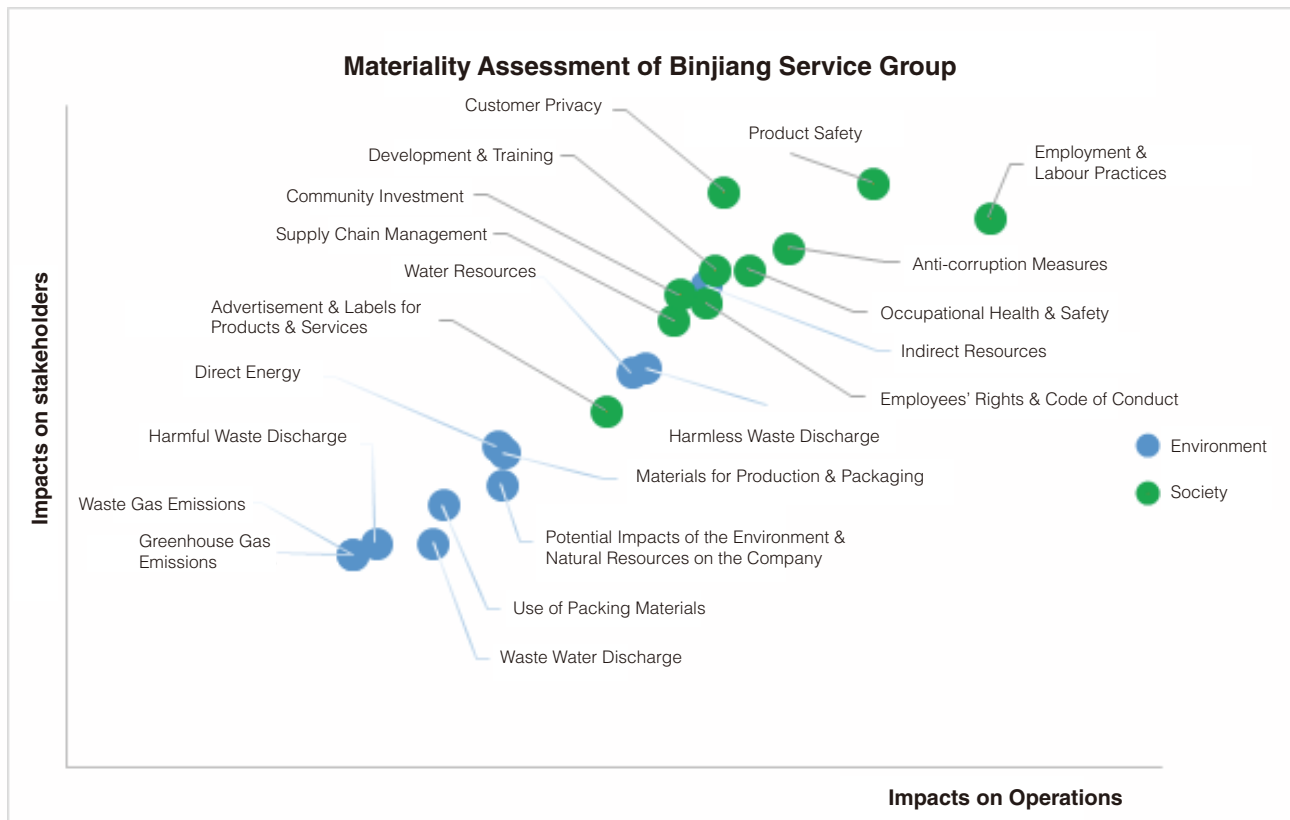
The Group's ESG stakeholders mainly include the employees, suppliers, customers, shareholders, investors, government, and the communities under the management of the Group. The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the long-term development and success of the Group. The Group actively explores various channels to maintain good communication with stakeholders, to enhance the stakeholders' understanding of the development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Group can provide them with timely and effective feedback regarding their concerns. In this way, the Group ensures that it is cooperating and working alongside stakeholders to achieve mutual benefits.

Stakeholders	Government	Shareholders	Employees	Customers	Suppliers	Community
Target & Focus	<ul style="list-style-type: none"> Respond to state policies Operate according to laws and regulations Pay taxes in accordance with applicable tax laws Promote employment 	<ul style="list-style-type: none"> Business strategy & financial performance Protect shareholder's legal rights Business sustainability Company transparency 	<ul style="list-style-type: none"> Payment & welfare Guarantee of rights and interests Career development Safety and health Corporate culture 	<ul style="list-style-type: none"> Timely service Safety of householders Privacy protection Steadily improve service quality 	<ul style="list-style-type: none"> Abide by commercial ethics & state laws and rules Be transparent and fair Fulfill commitments, achieve mutual benefits and enable win-win cooperation 	<ul style="list-style-type: none"> Hold community activities Assist in community construction Secure community welfare Promote the community's development
Method of communication and exchange	<ul style="list-style-type: none"> Take part in discussions when relevant policies are being formulated, share enterprise experience Guide and influence public policies actively Engage in dialogue with the local government 	<ul style="list-style-type: none"> Enhance information disclosures Board meeting, shareholders' meeting and investors' meeting. Direct communication among shareholders 	<ul style="list-style-type: none"> Employee representative on the board of supervisors Labour union Employee representative conference Employee survey and provision of timely feedback Enhance information disclosure 	<ul style="list-style-type: none"> Communicate during the service offering process Owners survey and provision of timely feedback Complaint hotline Enhance information disclosures 	<ul style="list-style-type: none"> Announce the supplier management rules Contract negotiation Daily business exchange Enhance information disclosures 	<ul style="list-style-type: none"> Communicate with local government and organisations Exchange ideas with community members Enhance information disclosures
Key actions	<ul style="list-style-type: none"> Implement state policies, abide by state laws and regulations Accept supervision and check-ups Create more posts to boost the employment rate Guide garbage classification activities in cooperation with the government Declare taxes in a timely manner 	<ul style="list-style-type: none"> Convene shareholder meetings regularly Convene meetings of the board of directors regularly Convene meetings with investors Disclose statutory issues in a timely manner 	<ul style="list-style-type: none"> Enhance training for employees in respect of culture and technical skills Improve employees living and working environment Guarantee employees' rights and benefits, upgrade their welfare level Health and safety guarantees for employees Establish a labour union 	<ul style="list-style-type: none"> Regulate and standardise services Conduct regular customer satisfaction surveys Respond to customer complaints and provide them with feedback in a timely manner Earnestly protect customer privacy 	<ul style="list-style-type: none"> Set up an open and transparent bid invitation system Set up a communication platform for suppliers Perfect the supplier selection system Offer equal opportunities to suppliers 	<ul style="list-style-type: none"> Regularly hold activities to benefit community residents Encourage good deeds Be passionate about public welfare, contribute to society Conduct employee volunteer activities
Key performance indicators	<ul style="list-style-type: none"> Take action to implement garbage classification Number of persons employed 	<ul style="list-style-type: none"> Stock value, dividend returns Stock market value 	<ul style="list-style-type: none"> Number of participants of employee training Remuneration and welfare system The sum of money donated to employees with financial difficulties 	<ul style="list-style-type: none"> Investments in greening Number of customer complaints Solutions for handling customer privacy cases 	<ul style="list-style-type: none"> Contract performance rate Assessment of suppliers 	<ul style="list-style-type: none"> Examples of good deeds Investments in social welfare causes Employee volunteer activities

3.4 ASSESSMENT OF SIGNIFICANCE

During the reporting year, we obtained the results of the assessment of significance from internal stakeholders, including directors, senior management and middle management, through face-to-face interviews and questionnaires. We will also continually pay attention to all stakeholders, constantly review and update the assessment of significance, and include external stakeholders when the conditions are appropriate, so as to achieve a more accurate and thorough understanding of the demands of various parties, and to provide guidance and direction to the enterprise’s business operations and controls over environmental and social governance.

Based on the analysis and summary of the results of the assessment of significance from all stakeholders, we have formed the following materiality assessment matrix, which covers business operations, the business environment, society, governance and the Environmental, Social and Governance Reporting Guide. Since our Group mainly provides property management services, the focus is on social fields such as employment and labour practices, product safety, and harmless waste discharge.



Taking into account the effect of each key performance index on business operations and stakeholders, and after an overall evaluation, we decided that the following indices will have a significant impact on the sustainable development of the Group. While taking into account all environmental and social responsibilities, the Group pays more attention to the following areas:

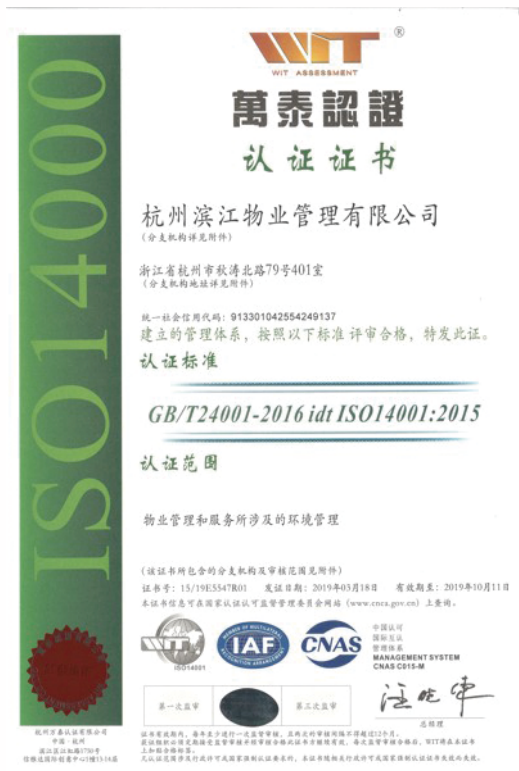
Environmental field	Societal field
Indirect energy	Employment and labour practices
Harmless waste discharge	Product safety
Water resources	Customer privacy
Direct energy	Anti-corruption measures
	Occupational health and safety
	Development and training
	Community investment
	Employees' rights and code of conduct

4. ENVIRONMENTAL PROTECTION

Environmental Policy

As a socially and environmentally responsible corporate citizen, the Group is fully aware of its responsibilities in environmental protection. In the process of daily operations and development, we maintain an emphasis on the importance of environmental protection, actively implement green and low-carbon development strategies, try to minimise the negative impact of business development on the environment, and have a positive effect on the environment.

The Group strictly abides by laws and regulations that have material impacts on the development of the Group, such as the *Environmental Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on Conserving Energy* and strives to ceaselessly improve the efficiency of its environmental protection measures. In order to strengthen environmental protection awareness, the Group has formulated the Binjiang Property Green Office Management System, which covers the use of electrical appliances, water conservation, paperless office measures, company car management and other areas, so as to regulate employees' environmental protection behaviour in daily operations. We have also set up a working group to conduct management and inspection, and any divisions that are found to be violating environmental measures are required to rectify their misbehaviour and accept punishment. The promotion and implementation of the green office system have greatly enhanced the awareness of all employees in saving energy and reducing consumption. The green office system plays a significant role in regulating employee behaviour with regard to energy saving and environmental protection, such as effective management of water and electricity usage as well as reduction of wastage and energy consumption. It also helps the Group achieve sustainable development.



In addition, the Group has a GB/T24001-2016 idt ISO14001:2015 certified environmental management system, which affirms our work and achievements in environmental management. Going forward, we will work to further develop and optimise the environmental management system.

4.1 EMISSIONS

Multiple approaches to achieving low-carbon emissions

The change in environment caused by greenhouse gas emissions has become an important issue for all mankind, and the Group attaches great importance to this issue. The carbon emissions in the Group mainly come from the use of electricity, natural gas and automobile fuel in the projects under our management, with a total amount of about 620,000 tonnes.

Indirect carbon dioxide emissions from outsourced electricity account for more than 99 percent of the Group’s total carbon dioxide emissions. For this reason, this area is our key focus in reducing the Group’s carbon emissions. In addition, the natural gas consumed by the boilers of community swimming pools and clubhouses and the gasoline burned by company cars also produce certain greenhouse gas emissions.

The Group integrates energy conservation and consumption reduction measures into internal management and encourages employees to reduce carbon emissions in various ways. With regard to company vehicles, their use is managed, controlled, planned and arranged in a unified manner by the Integrated Management Division. The Binjiang Property Green Office Management System contains detailed rules for the use of company cars. Carpooling is encouraged to avoid repeated car rides along the same route and the use of public transportation is also encouraged to better protect the environment. The Group advocates for a paperless office, encourages the use of recycled paper and double-sided printing, and also provides paper recycling bins for centralising the disposal of waste paper. In these ways, the Group strives to reduce carbon emissions by reducing paper use. Please refer to the “Resource Use” section below for information regarding our electricity consumption.

Items	Carbon dioxide emissions (tonnes)	Percentage
Outsourced electricity, net	619,733.22	99.85%
Natural gas	565.71	0.09%
Gasoline	360.69	0.06%
Total	620,659.62	100%

Emissions by Gasoline Cars	Emissions (Kg)
Nitrogen oxide	735.82
Sulphur oxide	2.03
Particulates	70.51

Classifying garbage in response to state policy

Garbage classification is a public welfare cause that benefits the nation and the people, and it has been a key governmental task in recent years. In response to the call for domestic garbage classification from the General Office of the State Council, the Zhejiang Provincial Government Standing Committee approved the document titled “Management Method for Domestic Garbage Classification of Zhejiang Urban Area” at the meeting on 4 January 2018. The implementation of garbage classification is an important recycling initiative that will have a long-term impact on employees and residents’ environmental awareness.

Driven by policy guidance and internal factors, the Group has adopted a number of measures to classify garbage at its source. For the projects under our management, the customer service housekeepers of our City Star Community distribute brochures, explain the correct waste disposal methods to residents, and broadcast public welfare promotional films in the lobby of each building. At the same time, garbage classification instructors are appointed to scan the code of each kitchen garbage bag to remark on and supervise the classification quality and to give timely feedback on the results. These measures have strengthened the owners’ and residents’ awareness of garbage classification measures and have improved the quality of garbage classification. In 2017, the City Star Community was awarded the title of “Demonstration Community of Garbage Classification in Hangzhou”. In 2018, it was awarded the title of “Demonstration Community of Garbage Classification in Zhejiang Province.”

In addition to classification of daily domestic garbage, we have also standardised the treatment of waste and domestic sewage resulting from home maintenance. For maintenance waste generated in projects under our management, the property service centre first places the waste in warehouses on a temporary basis. They will then be collected and disposed of by the recovery units certified by the relevant qualification authority after the disposal scheme is approved by the Owner Committee. With regard to domestic sewage discharge, the Group strictly complies with the relevant provisions of the *Environmental Protection Law of the People’s Republic of China* and the *Law of the People’s Republic of China on Prevention and Control of Water Pollution*, so as to eliminate any irregular discharge that may have a negative impact on the environment.

During the reporting year, the Group was not aware of any non-compliance with laws and regulations which had material impacts on the Group in terms of air and greenhouse gas emissions, discharge to water and land, generation of hazardous and non-hazardous waste.

Case: In August 2018, the Golden Dawn Section 1 Service Centre, in conjunction with the Golden Dawn Community, launched a “garbage sorting starts with me” campaign to help children develop green and low-carbon environmental awareness from an early age. Golden Dawn was awarded the title of “2018 Good Life Demo Community of China” by the Good Life Research Institute.



4.2 USE OF RESOURCES

The Group regards resource conservation as a vital part of its development strategy and operational approach and is committed to constantly monitoring and improving our environmental protection performance. The resources used by the Group mainly include natural gas, electricity, water and gasoline. The emphasis of our effective resource utilisation and consumption is on water and electricity conservation.

Lighting reconstruction and energy conservation

Electricity consumption is the main source of carbon emissions of the Group. During the reporting year, the Group consumed electricity of 76.6427 million kWh in total, which indirectly produced greenhouse gas emissions of 619,700 tonnes. In order to reduce and manage energy consumption reasonably and efficiently, we require employees to follow the Binjiang Property Green Office Management System during their daily operation, which includes:

- Reduce energy consumption for office devices; and turn off computers, printers, photocopiers and other devices when they are not in use, or switch on power-saving mode;
- Make use of natural lighting in clear weather to reduce electricity consumption;

- Set the air conditioning temperature to 26 degrees Celsius in the summer; turn off the air conditioning when the temperature is appropriate; and open the windows;
- Implement an accountability system of electrical equipment in public areas: The user of electrical equipment is responsible for turning off all power sources when he or she leaves and makes sure that all lights have been turned off and all equipment has been shut down.

In addition, since 2015, the Group has promoted intelligent lighting reconstruction in the projects under its management according to the relevant energy conservation rules specified in the Equipment Energy Saving Management Code GT-ZC-7.5.9-05. By analysing the feasibility of intelligent lighting reconstruction and its expected economic and environmental efficiency according to the Analysis on Binjiang Property LED Lighting Energy Saving Technology Transformation, we decided to use LED lamps controlled by voice, light, human body infrared heat, and door opening to replace existing light tubes and maximise environmental efficiency. During the reporting year, we reduced electricity consumption by 769,000 kWh, and indirectly decreased carbon emissions by over 6,200 tonnes. Since the lighting reconstruction project was initiated in 2015, we have, in aggregate, reduced electricity consumption by 2.477 million kWh, and indirectly reduced carbon emissions by more than 20,000 tonnes.

Electricity consumption (kWh)	41,813,118.98
Electricity consumption density (kWh/operating income of RMB1,000)	82.07

	Electricity saved (kWh)	Reduction in carbon dioxide emissions (tonnes)
Intelligent lighting reconstruction		
2015	90,534.60	732.06
2016	1,048,974.96	8,482.01
2017	565,253.60	4,570.64
2018	769,087.12	6,218.84
Total	2,473,850.28	20,003.55

Using diverse measures to save water

Water resources are abundant in the world, totalling 1.45 billion cubic kilometres and covering 72 percent of the surface of the earth. However, only 2.5 percent of it is freshwater, and its geographical distribution is extremely uneven. In China, the total amount of available freshwater resources is only about 1.1 trillion cubic metres, and per capita available water is only one-fourth of the world average. We are fully aware of the shortage of freshwater resources and actively plan and construct urban water-efficient communities:

Water consumption (cubic metres)	988,502.72
Water consumption density (cubic metres/operating income of RMB1,000)	1.94

Take The One as an example. Its total gross floor area is 340,000 square meters, and its green area is 16,006 square meters. The secondary water supply method has been adopted in the entire residential quarter, and the following work was conducted to respond to the government's request to build urban water-efficient communities:

- Set up a specific water-saving management organisation to plan, organise, implement and summarise water-saving tasks in an orderly manner;
- Publicised water-saving knowledge and ideas and cultivated a water-saving mentality. During the National Water Saving Week in July 2018, more than 290 brochures containing water saving knowledge were distributed to the owners, accounting for 568 persons in total.
- Built an additional rain water recovery system for green space irrigation and popularised water-saving appliances among residents. Such measures covered the entire residential area;
- The landscape pool is equipped with a sand filtration system and a bottom suction machine, so that the filtered water can be recycled to the pool.
- The Property Engineering Division maintains and checks water supply facilities regularly, so as to find and replace damaged parts in a timely manner and eliminate water leakage.

With the efforts of property service personnel and the cooperation of the owners, *The One* achieved water conservation efficiency of 8,400 tonnes/year in 2018. Their water saving efforts were recognised by relevant departments. In January of the following year, Zhejiang Provincial Department of Housing and Urban-Rural Development awarded the title of "Water-saving Residential Quarter" to *The One* in recognition of their efforts in realising economic and environmental benefits.



4.3 THE ENVIRONMENT AND NATURAL RESOURCES

As a property management services provider, our business activities do not involve significant consumption of natural resources or impose any significant impacts on the environment. The Group is aware of the possible environmental impact of day-to-day business operations and will continue to strengthen its environmental management system to ensure its compliance with all applicable environmental laws and regulations and make contributions to the common environmental protection cause of mankind.

5. SOCIAL RESPONSIBILITY

The Group has formulated a standardised recruitment process that ensures that employees will be provided reasonable remuneration, a non-discriminatory working atmosphere, fair and just promotion opportunities, and various training opportunities that meet their needs for diversified development. This process also ensures that employees will be given recognition and incentives based on their performance and contribution. The efforts we make in staff development can also lay a solid foundation for the future development of the enterprise.

5.1 EMPLOYMENT

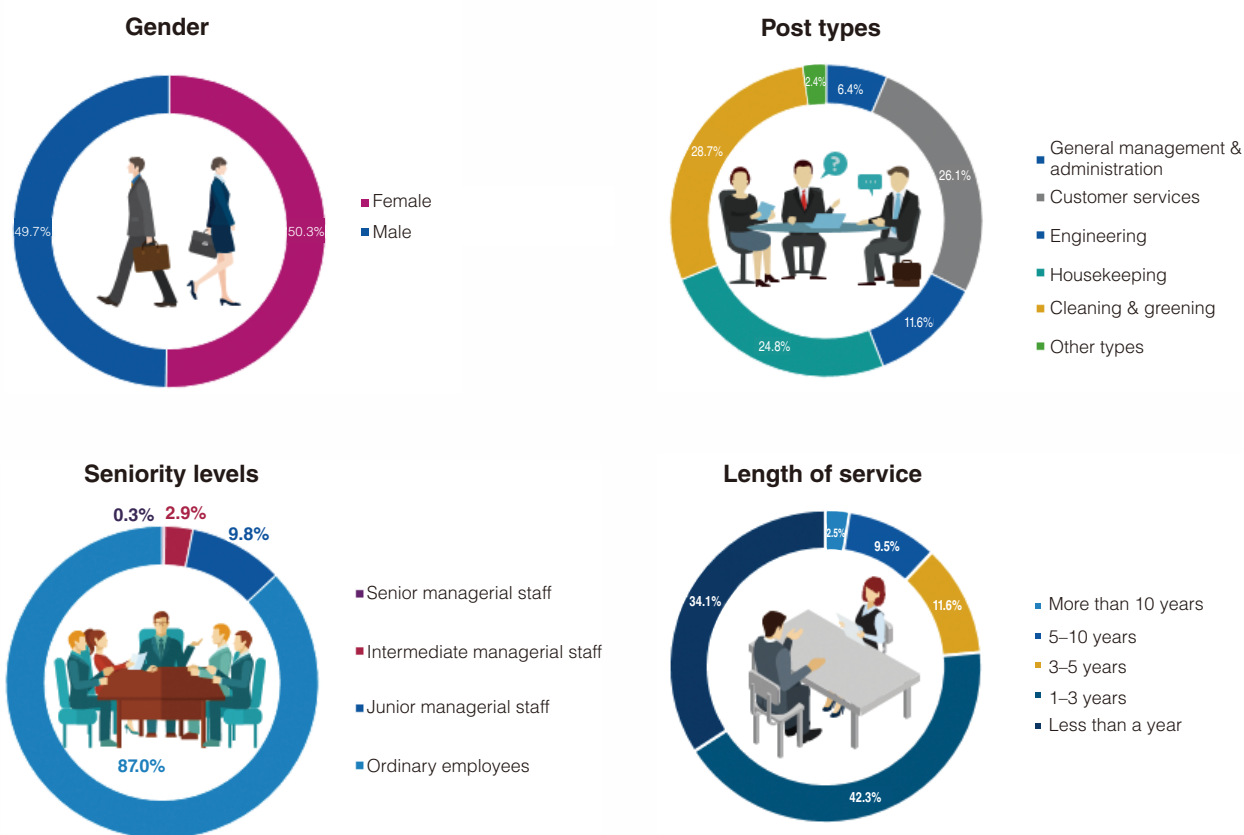
Diversify and equality in talent recruitment

The recruitment of the Group is conducted in a fair, open and regulated manner. The Group recruits employees through various channels such as labour market fairs, online recruitment, campus recruitment, and others. We actively promote cooperation between schools and enterprises, implement trainee management plans, give outstanding students internship opportunities, and provide retention opportunities for outstanding performers. During the reporting year, the Group took on 18 student interns, 5 of whom joined the Group after graduation.

In terms of human resource management, the Group abides by the principle of equality. In terms of recruitment, promotion, training, remuneration and benefits, employees will not be discriminated against based on their age, gender, physical health status, mental health status, marital status, family status, race, colour, nationality, religion, political affiliation or sexual orientation. As of the end of the reporting period, the numbers of male and female employees are similar including 49 ethnic minorities and 10 disabled employees. Employees from different backgrounds work hard at their posts to realise their self-worth.

We have a planned and clear promotion path for employees. On one hand, we have a fair and prioritized promotion mechanism for internal personnel to safeguard their promotion opportunities. During the reporting year, 16 mid-level staff members were promoted internally, accounting for 55.2 percent of the total number of new mid-level staff members. On the other hand, we also provide equal promotion opportunities for junior staff in various divisions; and we encourage them to grow and surpass themselves, and to contribute more to the development of the Group.

In respect of the management of human resources, the Group and its subsidiaries formulate standard working-hour systems in strict compliance with the relevant provisions of the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*. We provide reasonable overtime pay and subsidies for overtime hours, and we make arrangements for statutory holidays. For employees who must remain on duty, such as guards, cleaners and other special positions, we provide rest days or overtime payment. When an employee resigns, the Group pays compensation based on his length of service according to the Labour Contract Law of the People's Republic of China, as well as certain humanitarian compensation according to the actual situation. These measures effectively protect the rights and interests of employees.



Caring for employees to retain talent

The Group considers its employees to be its most important asset and strives to give them maximum and meticulous care. We try to make it so they feel they are part of a warm family. According to the specific needs of our employees, we provide significant benefits for them in various ways. We care about what our employees think, and we are eager to meet their needs. We provide them with the following benefits:

- Lunch allowance: On normal working days, employees can enjoy a daily meal made according to the company's food policy.

- Accommodation: Some of the residential quarters under management are used as dormitories for security personnel and engineers. As of the end of this reporting period, a total of 316 rooms were used as staff dormitories. The Group also helps staff members in applying for governmental welfare such as public rental housing, blue-collar apartments, etc.
- Festival gifts: We send holiday gifts to employees during festivals every year.
- Physical examinations: The Group provides a free physical examination once every two years for employees whose service lengths are longer than one year.
- Heatstroke prevention: In the summer, we provide cooling devices and seasonal food such as mung bean soup and watermelons.
- Targeted assistance: The Group has made it clear through its welfare system that employees who have financial difficulties due to serious illness or other severe family calamities can apply to the Mutual Aid Association for assistance funds, and the Group will also organise donations to help employees overcome such difficulties. At the same time, the Sunshine Public Welfare Fund established by our parent company is also open to all employees of the Group and is ready to offer help to employees in need.

Targeted assistance	Number of times	The sum of the assistance fund (RMB)
Donation	5	24,805.00
Mutual Aid Association	2	35,000.00
Sunshine Public Welfare Fund	8	350,000.00

The Group has appointed the Integrated Management Division to take additional measures to carry out the above-mentioned welfare system. These measures will allow the employees to feel the care and warmth of the enterprise, and effectively alleviate the problem of staff turnover in the property service industry. During the reporting year, nine middle-level managers resigned, which represented a turnover rate of 7.26 percent, well below the average turnover rate in the industry. Although the turnover rates of junior managers and ordinary employees are relatively high, they are still lower than the industry average attributing to the Group's reasonable service-length wage system and sound welfare system.

5.2 OCCUPATIONAL HEALTH AND SAFETY

The Group attaches great importance to the health of employees and the safety of the working environment. We have stipulated control procedures for environmental safety operations and occupational health and safety operations in the enterprise management manual. The Group strictly abides by relevant laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and the *Norms for the Management of Labour Protective Articles for Employers*, so as to provide employees with a safe, healthy and comfortable working environment.

Prevention first combined with fire protection

The Group's policy prioritises prevention and stresses fire protection. All fire safety-related issues are under the control of the Order Maintenance Division. This division has formulated a fire safety management system and is responsible for organising regular fire inspections, conducting supervision and performing assessments at all levels. Each service centre must conduct regular fire drills in order to discover hidden problems, correct loopholes, and eliminate safety hazards. During the reporting year, the service centre conducted a total of 91 fire drills, accumulating a total of 4,961 man hours of drill participation. These drills helped to improve the level of fire prevention awareness of relevant service personnel and residents, and enhanced the participants' emergency response capacity for fire accidents.

A fire drill conducted in Section 3 of Myriad Star Residential Quarter in April 2018



Protective equipment that ensures safety

The Integrated Management Division purchases safety protection equipment regularly, and the purchased products are required to be designated with the product safety qualification identification mark issued by the national testing institution. The division is not allowed to buy unqualified products. Public protective equipment is kept in special custody to ensure that the service centre can respond effectively and in a timely manner in the event of an emergency. During the reporting year, the Group spent a total of RMB1.03 million on safety-related issues.

A people-oriented occupational health system

Physical health and personal safety are the basic guarantees necessary for people to pursue a better life. The Group adheres to this people-oriented principle and attaches importance to the health of its employees. In addition to providing regular physical examinations to employees, the Integrated Management Division establishes health records for all staff and workers, and cooperates with other divisions to identify, prevent and treat diseases in accordance with the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*, so as to ensure early diagnosis and treatment of any potential diseases.

The construction of the Group's occupational health and safety management system has achieved its initial results, and the system has been certified by the GB/T28001-2011 idt. OHSAS 18001: 2007 authentication standard. During the reporting year, a total of 4 industrial accidents occurred in the Group's operations, but there were no serious injuries or deaths.



5.3 TRAINING AND DEVELOPMENT OF STAFF MEMBERS

The Group has implemented the Regulation for Training Management of Staff Members. It is committed to improving the staff training system, formulating an exclusive development path for each employee, stimulating the potential of employees, and supporting their growth.

Training at different levels with different focuses

The Group provides differentiated training for employees of different levels and different positions according to their work content, job nature and individual career development needs in order to help each employee develop their vocational skills, expand their professional ability and grow and improve themselves. The detailed training categories include:

- Orientation training: The Human Resources Division organises a training session in which new employees learn about the Employee Manual to enhance their understanding of the mission, concept and business scope of the enterprise, and learning and knowledge of the basic enterprise system, code of conduct and other norms;
- Vocational skills training: Through knowledge transfer and senior employee guidance, the senior employees in various departments and service centres can help the new employees better understand their jobs and grasp key points more quickly. Senior employees can also help them to use and practice professional skills actively. Additionally, special vocational skills training sessions are arranged regularly according to the yearly training plan, so as to update and improve employees' vocational skills and ensure timely and efficient training.
- Learning from peers: We organise events at which our property service staff can learn from other leading property enterprises. At such events we can learn about their successful service experience. Managerial staff and senior officials are invited to join seminars on property service cases to enhance business service;
- Professional qualification training: Maintenance workers and cleaning workers that operate at high altitudes, and security personnel, lifeguards, fire safety personnel and other special posts must hold related qualification certificates as prescribed by the State. The Human Resources Division must review the relevant certificates and provide such employees with certain allowances and incentives. As at the end of the reporting year, the number of Group employees holding a special qualification certificate reached 2,225.
- Legal training: Middle and high-ranking managerial personnel of the Group must receive annual legal training to learn the latest rules and regulations related to property services so as to strengthen risk control within the Group.

In addition, the Group actively participates in and holds various employee skill contests, which not only enhance the employees' interest in learning, but also cultivate their operational skills. These events also promote communication and exchanges with other enterprises in the industry.

Training programs	Number of participants	Training hours
Orientation training	1,858	1,858
Vocational skills training	1,093	19,040
Professional qualification training	56	224
Learning from peers	346	1,524
Legal training	376	376
Total	3,729	23,022

5.4 LABOUR RIGHTS AND INTERESTS

Abiding by laws and protecting staff's rights and interests

In accordance with the relevant laws and regulations of the People's Republic of China, such as the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China*, Binjiang Group and its subsidiaries strictly protect the lawful rights and interests of their employees. The Group and its subsidiaries pay salaries on time without any arrears, and pay social insurance premiums and housing reserve for employees. As of the end of the reporting year, our social insurance and housing reserve amounts were fully covered except for employees who have retired but were recruited again by the Group or its subsidiaries.

Prohibition of forced labour and child labour

In accordance with the relevant laws and regulations of the People's Republic of China, such as the *Law of the People's Republic of China on the Protection of Minors* and the *Provisions on the Prohibition of Child Labour*, the Group and its subsidiaries explicitly prohibit the employment of persons under the age of 18 and conduct strict examinations in the recruitment process so as to avoid the employment of underage individuals. Young children represent the future of the country, and their healthy growth must be protected in all walks of life throughout the country. Therefore, we strongly oppose the use of child labour and resolutely reject such behaviour.

The Group fully respects the freedom of its employees and does not conduct any improper activities, such as withholding their valid certificates, collecting deposits, engaging in forced labour or defaulting on remuneration during the period of employment. We have also set up an internal supervision mechanism to conduct regular employee satisfaction surveys at the supervisor level and above to ensure that no breaching behaviour will occur. During the reporting year, there were no incidents of child labour employment or forced labour.

5.5 SUPPLY CHAIN MANAGEMENT

The Group strictly controls the selection of suppliers for material procurement and service outsourcing, and its purchase control procedures have clearly specified rules for supplier selection, the procurement process, and verification of purchased products and suppliers' services. At the same time, through effective communication, we constantly consolidate and expand our partnerships with suppliers to stabilise supply channels and ensure the supply quality.

Strict control over the procurement process

Our Brand Operations Division and Integrated Management Division are responsible respectively for the procurement of materials and outsourced services needed by the Group for property service operations. When selecting suppliers, the regional business units must first report to the general headquarters. Then, the procurement investigation team, which consists of the functional divisions of the headquarters and the regional business units, evaluates, examines and verifies the suppliers, and produces a Supplier Investigation/Evaluation Form. After this Form is approved by the general manager, the suppliers in the form will be included in the List of Qualified Suppliers.

In order to strengthen supplier management and procurement control, the Procurement Commission evaluates the suppliers each year to eliminate any unsatisfactory and unqualified suppliers. The Commission also regularly updates the List of Qualified Suppliers to ensure procurement quality.

Multidimensional considerations and comprehensive requirements

The Group attaches importance to the environmental and social governance performance of suppliers. In the Supplier Investigation/Evaluation Form, the quality, environment and occupational health system authentication of the supplier constitutes 20 points (out of 100 in total). The supplier's corporate image, market reputation and social evaluation accounts for 10 points. The Group pays special attention to suppliers that have a significant impact on society and the environment, and exerts influence on them in the following ways:

- The Group informs them of our management policy in relation to quality, the environment, and occupational health and safety.
- The Group informs them of our requirements regarding the environment and occupational health and safety.
- If necessary, the Group makes a written request to the supplier, or specifies our requirements for environmental protection, and occupational health and safety management in related contracts and agreements.

5.6 PRODUCT LIABILITY

Based on the principle of “excellent valuable services for owners” Binjiang Service Group’s quality policy focuses on “sincerity, innovation, perfection, safety, health and green,” and treats every customer with sincerity. The Group uses scientific, reasonable and advanced technology and concepts to provide excellent services to customers. In accordance with the Property Management Regulations issued by the State Council, we have compiled the *Operational Instructions and Service Standards of Binjiang Property Residential Quarters*, which requires that every work process must be improved with the ultimate goal of achieving perfection.

Industrial benchmarking and quality assurance

After years of practical experience and innovations, the Group has established a service model with the Three Major Value Service System at the core. This system involves public services based on the characteristics of real estate, personalised services based on the needs of householders, and property asset management services based on the property’s use as an investment product. The core value of our services is to provide owners with a safe, comfortable and warm living or office environment, while maximising the value of their properties. For this reason, we earnestly control property service standards and quality, and ceaselessly promote the construction and development of the quality management system, which is certified by the ISO9001:2015 authentication standard. We strive to offer reliable and excellent services.

We standardise the details of our services according to the *Operational Instructions and Service Standards of Binjiang Property Residential Quarters*. From the setting and placement of property notices to the handover inspection before the delivery of real estate, we ensure that professional services are provided according to the standardised processes. In the delivery process for real estate, the Group strictly conducts acceptance inspections as a third party according to acceptance standards. For the acceptance of each residential unit, we have prepared a series of strict acceptance criteria, which are divided into five groups: the survey group, civil construction group, aluminium alloy group, water and electric power group and leaching group. New and old staff members receive unified training and perform simulation tests to ensure that the implemented acceptance criteria are higher than the national standards.

For the simulated leaching test, Mr. Wang Guoyi, vice general manager of Binjiang Property, said:

“It is our consistent and rigorous practice to hold deep deliberations from the perspective of the owners and to design effective solutions. There are no small issues when it comes to housing construction; every process must be performed accurately. Using this kind of edge-up simulation technique instead of waiting for a rainstorm can effectively protect the interests of the owners. Furthermore, it also shows that Binjiang real estate can withstand harsh conditions, and that our brand is high-quality and worthy of the owners’ trust.”

In general, the time spent by our peer companies in conducting housing inspections is about 3 hours per household. By contrast, our inspections last about 72 hours per household and are much rigorous. In addition, the Group adopts the star service standardisation system. To this end, we divide services into 3-star, 4-star, and 5-star levels, which reflects the stability of our basic services and also helps to differentiate between the personalised services we offer.

Case: The residence's entrance guard looks like a soldier; its services can be compared to those of a hotel; and its landscape is garden-like. Mr. Zhang, director of the Owner Committee of Quzhou Chunjiangyue Residential Quarter described his community at the live broadcast of the ninth episode of the Quzhou TV program titled "People's Assessments and Experiences." In the residential quarter, there is an old woman who suffers from Alzheimer's disease, and she often loses her way as she travels home. When a property staff member sees her, he will accompany her home. Sometimes her family members go out, and the property service personnel let her have a cup of tea and wait for her family at the front desk. With their warm smiles and sincere services, the property staff members exemplify Binjiang Service Group's motto: making lives comfortable and enjoyable.

In addition to sincere services, a comfortable and healthy environment is also the focus of the Group's property management. We strive to provide owners with a beautiful and comfortable living and sitting-out environment with lush foliage. We invest RMB18–22 in vegetation per square metre, compared with RMB5–12 per square metre invested by other enterprises.

Our service and management system has been unanimously recognised by the industry. Many property companies have visited our residential quarters to learn about our excellent services and the advanced concepts underlying them. During the reporting year, we have received 1,416 visitors from peer companies, which greatly promoted exchanges and communication between the Group and our peers.

Owner satisfaction is the ultimate goal of our services. For this reason, we strive to continually improve and upgrade ourselves. Through our hard work and unremitting efforts, we received thousands of pennants and complimentary letters from owners during the reporting year, and more than 100 staff members have been awarded by owners for good deeds related to returning found money. Among them, Ms. Qi Yuanzhen, the cleaning worker in Section 1 of the Golden Dawn Residential Quarter, was named the "fighter jet of the cleaners." With her serious and responsible work attitude and hardworking spirit, she was unanimously affirmed by the owners. She has received commendatory letters from more than 100 owners for three consecutive years, setting up an example and encouraging all of us to endeavor to satisfy owners with more excellent and perfect services.

Eliminating hazards and ensuring safety

We promise to provide safe accommodations for owners, adhere to the safety inspection system, and regularly carry out item-by-item inspections for safety risks. The Group also promises to ensure that all safety hazards are rectified within the time limit in a manner that “involves the owners, puts the government in charge, and is coordinated by the property management.” During the reporting year, we mainly focused on the following tasks in each residential project:

The Group requires the service centre to strictly control access to the entrance, verify the identity of each visitor, and record their identity information and entering time, so as to prevent unauthorised visits. Security personnel must inspect the quarter regularly and arrange for more than two persons to be on duty each night. Each service centre must cooperate with the government in registering non-residents and check for and clear away any sub-divided unit tenants, so as to eliminate any hidden dangers and prevent accidents.

Case: With licencing from the Xiacheng District Public Security Bureau, Wanjia Xingcheng set up a special patrol team to maintain the security of the community. Each member of the patrol team was well trained, and the team was equipped with two retired police dogs. The team was able to respond to and cope with emergency events quickly and safely, and the team members were regarded as effective guardians by the owners.



The Group requires each service centre to organise fire drills at least once a year with the purpose of enhancing the fire prevention awareness and emergency response capacity of staff members and residents. During the reporting year, the service centres under the Group held 91 fire drills with 4,961 participants. Meanwhile, the Integrated Management Division provided firefighting knowledge and skills training to persons randomly picked from each service centre and set up voluntary fire brigades. When fire occurs, the voluntary fire brigades will put out any fires and evacuate people before the arrival of the fire department, so as to minimise personal casualties and property loss in any emergency. In order to eliminate fire accidents caused by flammable battery, the Group also checked battery motors placed at upper floors and required that the battery motors were moved to the ground floor.

Case: In March 2018, Mr. Sun, an owner residing in Golden Blue Residential Quarter in Hangzhou, smelled smoke at home. He immediately reported it to the property service. Property service personnel then checked door to door, and quickly targeted a household on the 14th floor. Since no one was at home, the property service cut off the electricity, reported the fire, and initiated the emergency plan. The property service immediately contacted the owner and obtained his electronic lock code. The firefighters who arrived then quickly dispelled the smoke and eliminated the risk. The firefighters investigated the cause of the fire and commended the property service for its quick response to the emergency. During the reporting year, fire hazards were identified six times in Golden Blue Residential Quarter in Hangzhou. Four of these hazards were first discovered and reported to the property service by the owners, which demonstrated that the owners' fire protection awareness had been improved under the influence of our fire safety management system. With their help, the property team was able to deal with emergencies properly and prevent fires from occurring.



Effective management and privacy protection

The Group believes that effective protection and management of owners’ privacy is an essential factor in the establishment of long-term trust and friendly cooperation between owners and the property service provider. We strictly abide by relevant laws and regulations for the protection of personal data and privacy, and make clear provisions in the *Operation Instructions*. On the one hand, property service personnel are required to sign a confidentiality agreement when they take their post and strictly keep the owners’ information and related materials confidential. The owners’ informational files must be sealed and stored at the time when the house is delivered. On the other hand, we have formulated the *Management Regulations for the Information System, Computers and Network*. The Group also only allows electronic informational materials to be accessed by authorised users. Access to the information must first be examined and approved by the division head in order to ensure that the network runs efficiently and that electronic informational materials are effectively protected.

Listening to opinions and seeking improvement

Our success depends on the satisfaction of householders. To uncover weak points in our services, we earnestly listen to the voices of householders in order to increase their satisfaction and improve our service quality.

We perform householder satisfaction assessments with regard to property services in a variety of ways, including irregular surveys conducted by the service centres and annual surveys conducted by the group headquarters. We also examine the circular evaluations on newly delivered buildings conducted by the China Index Academy. Through the multidimensional survey data we acquire, we perform overall and specific assessments on the work quality and achievements of each service centre. As part of the satisfaction survey performed by the group headquarters, as of the end of 2018, a total of 1,693 questionnaires had been sent out by the service centres, and the overall householder satisfaction of communities managed by the Group was 96.97 percent.

Item	Satisfaction
Customer service	95.66%
Engineering	95.09%
Order maintenance	94.99%
Cleaning	94.97%
Activities	94.90%
Complaints	97.02%
Overall satisfaction	96.97%

The Group has established open channels for complaints. These channels include opinion boxes, a service hotline, email address, and other measures. The Group has also formulated a multilevel process for addressing internal and external householder complaints, and has specified responsible individuals, rectification plans, rectification time limits, and other matters. In this way, the Group is able to resolve complaints effectively. The entire process is reviewed by multi-level leaders, and a follow-up visit is conducted within 24 hours after the final process is completed. During the reporting year, the Group received a total of 2 internal complaints and 25 external complaints, and all of them were effectively settled by the end of the reporting period.

5.7 ANTI-CORRUPTION MEASURES

Building clean and honest operations and guarding against corruption at all times

Misconduct in commercial activities, such as embezzlement, bribery, violating the enterprise's interests, violating the principle of fair trade or damaging the enterprise's reputation, will seriously disrupt the Group's normal management and operations. The Group therefore firmly opposes and expressly prohibits these kinds of misconducts.

In consideration of the *Law of the People's Republic of China against Unfair Competition*, the Group has put in place specific provisions for anti-corruption control processes in its operational instructions. The Group has also set up a comprehensive and detailed anti-corruption system. To enhance the construction of a clean governance and democratic supervision mechanism inside the Group, we execute the system in a comprehensive manner. The system has a zero tolerance policy, and the Group works to ensure the system has no blind spots. The anti-corruption system is based on macro planning, the enterprise's real circumstances, temporary and permanent goals, and short and long-term goals.

Optimising the system and focusing on prevention

In August 2017, the Group established an internal discipline supervision and inspection team, and appointed the Deputy General Manager Wang Guoyi as the team leader. We set up a supervision and report bulletin boards at the Group headquarters and service centres, and provided contact phone numbers, mailboxes and mailing addresses to ensure that any unfair actions or disciplinary violations within the Group can be effectively reported through open channels. At the same time, the Group encourages reform and innovation and has sought to enhance the supervision and management of the enterprise's assets by establishing a restraint mechanism. We also optimise the corporate governance structure to enable checks and balances. We work to improve the enterprise management personnel selection system and established a standardised employment mechanism. In this way, we can prevent instances of corruption from the very start.

5.8 COMMUNITY INVESTMENT

The Group is committed to building a harmonious and inclusive relationship between the enterprises and the communities. The Group takes into consideration the community's interests and the needs of residents in the course of daily operational management and actively organises various kinds of community activities. While cultivating a sense of belonging for residents, we also seek to realise social corporate benefits at a higher level.

Serving the people with practicalness

The Group's investment in communities mainly focuses on community services that satisfy the needs of owners, as well as holding rich and colourful cultural activities during holidays and weekends. Inclusive services provided to residents include knife sharpening, blood pressure measuring, shoe and umbrella repairing, haircuts, healthcare and other activities. The practicalness of these activities has been unanimously praised by the owners, especially the "star projects" that provides knife sharpening, umbrella and shoe repairing, haircuts and others. During the reporting year, 48 service centres of the Group provided such services on 239 occasions and served a total of 45,266 people.

Case: On 7 April 2018, Myriad Star provided beneficial services to its residents.



Diverse holiday activities

The Group instructs the service centres to carry out various community cultural activities during holidays to boost communication between neighbours and add colour to residents' lives. Such activities include lantern carnival at Lantern Festival, making rice dumplings at Dragon Boat Festival, Mid-Autumn Festival evening carnival, tasting free Laba porridge, fun sports, carnivals, etc. In this reporting period, a total of 289 community cultural activities were held, with more than 50,000 participants.



Case: During the Dragon Boat Festival Holiday, a rice dumpling making event was held in The City Star.



Case: Golden Dawn Residential Quarter Section 3 organised a parent-child activity on Mother's Day to express gratitude to mothers.



Quzhou Chunjiangyue Residential Quarter held a tree planting activity on Arbour Day.



The City Star in Hangzhou held a lantern appreciation and riddles solving activity at the Lantern Festival.

Voluntary blood donation

As the Group has a large number of young and middle-aged employees, we encourage and support them in donating blood, helping patients who are in need and pass on love and warmth. We emphasise the importance of blood donation to patients in the course of voluntary blood donation. On the other hand, we educate employees about the benefits of blood donation.

During the reporting period, 143 employees of the Group's employees donated their blood voluntarily, and a total of 28,300 millilitres of blood were donated. We provided corresponding day-off opportunities and subsidies to blood donors to express the Group's strong support and concern for their participation.



Case: On 5 December 2018, Binjiang Property Gold Jiangnan organised a blood drive for property management employees in Xiaoshan, Hangzhou to show their compassion.

Improving public welfare and contributing to the society

The Group actively organises a variety of public welfare activities in which employees and community households can participate, including the following:

- Battery recycling: The Group has set up a total of 73 battery recycling bins. During the reporting year, a total of 2,475 wasted batteries with total weight of 139.34 kg were recycled which prevented potential land and water pollution caused by heavy metals contained in the batteries such as mercury, cadmium and lead.
- Clothes recycling: The Group has set up 42 clothing recycling bins and 6.14 tonnes of clothing were recycled during the reporting year. We sorted the clothes and sent suitable items to children in poor mountainous areas through charity organisations. In this way, we were able to turn waste into something useful.
- Donation: During the reporting year, we encouraged owners to donate books, clothes and money on 27 different occasions, raising a total of RMB69,170 and donated RMB6,985 worth of books and clothing.

During the reporting period, the Group invested a total of 2,233.5 hours and RMB946,210 in the communities, with 4,986 participants.



Case: More than 10 property personnel from Hangzhou Yuesheng International Service Centre went to the Xixing Senior Citizen Home to take part in public welfare activities and show their respect and care for elderly people.

ESG — Reference for General Disclosure

Major scope, aspects, and general disclosure and key performance index		Index		
Aspects	Contents	Chapter	Page	
A. Environment				
A1: Emissions	General disclosure Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. <i>Note:</i> Air emissions include nitrogen oxides, sulphur oxides and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes refer to those defined by national regulations.	4.1	09	
	Key perf. index A1.1		The types of emissions and respective emission data.	09–10
	Key perf. index A1.2		Greenhouse gas emissions in total (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	09–10
	Key perf. index A1.3		Total hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1
	Key perf. index A1.4		Total non-hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1
	Key perf. index A1.5		Description of measures to mitigate emissions and results achieved.	09–12
	Key perf. index A1.6		Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and result achieved.	10–11

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Major scope, aspects, and general disclosure and key performance index			Index	
Aspects	Contents		Chapter	Page
A2: Use of resources	General Disclosure		4.2	11
	Policies on efficient use of resources, including energy, water and other raw materials.			
	Key perf. index 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).		12–13
	Key perf. index A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		13–14
	Key perf. index A2.3	Description of energy use efficiency initiatives and results achieved.		11–13
	Key perf. index A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		13–14
Key perf. index A2.5	Total packaging material used (in tons) in the finished products, and if applicable, with reference to per unit produced.	Note 2		
A3: Env. & natural resources	General Disclosure		4.3	14
	Policies for reducing the issuer's significant impact on the environment and natural resources.			
	Key perf. index A3.1	Description of the significant impacts of operational activities on the environment and natural resources and the actions taken to manage them. and the actions taken to control the index.		14

Major scope, aspects, and general disclosure and key performance index			Index				
Aspects	Contents		Chapter	Page			
B. Society							
B1: Employment	General Disclosure		5.1	15–17			
	Relating to compensation and dismissal, recruitment and promotion working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:						
	(a) the policies; and						
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer.						
	Key perf. index B1.1	Total workforce by gender, employment type, age group and geographical region.		16–17			
	Key perf. index B1.2	Employee turnover rate by gender, age group and geographical region.		17–18			
B2: Health & safety	General Disclosure		5.2	19			
	Relating to providing a safe working environment and protecting employees from occupational hazards:						
	(a) the policies; and						
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer.						
		Key perf. index B2.1			Number and rate of work-related fatalities.		Note 2
		Key perf. index B2.2			Lost days die to work injury.		Note 4
	Key perf. index B2.3	Description of the occupational health and safety measures adopted, how they are implemented and monitored.		19–20			
B3: Development & training	General disclosure		5.3	21			
	Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities.						
	<i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer.						
		Key perf. index B3.1			The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		Note 4
	Key perf. index B3.2	The average training hours completed per employee by gender and employee category.		Note 4			

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Major scope, aspects, and general disclosure and key performance index			Index	
Aspects	Contents		Chapter	Page
B4: Labour standards	General disclosure		5.4	22
	Relating to preventing child and forced labour:			
	(a) the policies; and			
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer.			
	Key perf. index B4.1	Description of measures to review employment practices to avoid child labour and forced labour.		22–23
	Key perf. index B4.2	Description of steps taken to eliminate such practices when discovered.		22–23
B5: Supply chain management	General disclosure		5.5	23–24
	Policies on managing environmental and social risks of the supply chain.			
	Key perf. index B5.1	Number of suppliers by geographical region.		Note 3
	Key perf. index B5.2	Description of practices relating to engaging suppliers, number of suppliers for where the practice are being implemented, how they are implemented and monitored.		23–24
B6: Product responsibility	General disclosure		5.6	24
	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress:			
	(a) the policies; and			
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer.			
	Key perf. index B6.1	Percentage of total products sold or shipped subject to be recalls for safety and health reasons.		Note 2
	Key perf. Index B6.2	Number of products and services related complaints received and how they are dealt with.		28–29
Key perf. Index B6.3	Description of practices relating to observing and protecting intellectual property rights.	Note 2		
Key perf. Index B6.4	Description of the quality verification process and the product recovery procedures.	25		
Key perf. Index B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	28		

Major scope, aspects, and general disclosure and key performance index			Index		
Aspects	Contents		Chapter	Page	
B7: Anti-corruption	General disclosure		5.7	29–30	
	Relating to the prevention of bribery, extortion, fraud and money laundering:				
	(a) the policies; and				
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer.				
	Key perf. index B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the current reporting period and the outcomes of the cases.		Note 2	
	Key perf. index B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.		29–30	
B8: Community investment	General disclosure		5.8	30–34	
	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.				
	Key perf. index B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sports).			30–34
	Key perf. index B8.2	Resources contributed (e.g. money or time) to the focus areas.			34

Note 1: The operation of the Group does not involve heavy industry production, discharge of hazardous waste or the use of packaging materials; its harmless waste mainly includes domestic waste generated by owners, and the volume of emissions are in proportion to the number of owners of the management projects, which has not been accounted for during the reporting year.

Note 2: Such indicator is not applicable as there have been no such relevant incidents occurred in the Group in the current reporting period.

Note 3: As the Group's operations are mainly located in the Yangtze River Delta region, this report does not provide further detailed geographical information regarding the suppliers.

Note 4: The Group disclosed other quantitative indicators.