

seazen
新城发展

2022

Seazen Group Limited

Environmental, Social and Governance
(ESG) REPORT



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ABOUT THE REPORT

Seazen Group Limited (the “Company”, stock code: 1030) is pleased to present the 2022 Environmental, Social and Governance Report (the “Report”) of the Company and its subsidiaries (collectively the “Group”, “Seazen” or “we”). The Report discloses Seazen’s major actions and achievements in environmental, social and governance (“ESG”) aspects in 2022, and responds to the expectations and concerns of various stakeholders on the Group’s sustainable development performance in a targeted manner.

REPORTING SCOPE

The Report includes the Group’s principal activities: property development & investment operations and commercial management business during the period from 1 January 2022 to 31 December 2022 (the “Reporting Period”), and part of this Report covers the first quarter of 2022. The environmental KPIs disclosed in this Report cover the Group’s urban complex operations, all affiliated urban complex are within the scope. There is no significant adjustment to the reporting scope compared with the 2021 Environmental, Social and Governance Report.

Details of corporate governance can be found in the “Corporate Governance Report” of *the Company’s Annual Report 2022*.

RESPONSE TO THE REPORTING PRINCIPLES

The Report is prepared in line with *the Environmental, Social and Governance Reporting Guide (the “ESG Guide”)* set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). During the preparation of this Report, the Group complies with the principles of “Materiality”, “Quantitative”, “Consistency” and “Balance” stipulated in *the ESG Guide*:

“Materiality”: The Group has identified material ESG issues through communication with stakeholders and listening to their expectations and concerns. For details, please refer to the sections headed “Management of Stakeholders” and “Management of Material Issues”.

“Quantitative”: Information on the standards, methodologies and source of conversion factors used for the reporting of emissions and energy consumption has been disclosed. For details, please refer to the section headed “Protecting the Environment, Pursuing Green and Low-Carbon Development”.

“Consistency”: The statistical methods and KPIs in the Report are consistent with previous years.

“Balance”: The Report provides both positive and negative information about the Company in an unbiased manner.

Meanwhile, the Report makes extensive reference to the following domestic and foreign advanced disclosure guidelines:

- Global Reporting Initiative *Sustainability Reporting Standards (GRI Standards)*
- United Nations Sustainable Development Goals (SDGs)
- Task Force on Climate-related Financial Disclosure (TCFD) disclosure recommendations on climate change risks and opportunities
- Chinese Academy of Social Sciences *China Corporate Social Responsibility Reporting Guidelines (CASS-CSR5.0)*
- Social Responsibility National Standard *Social Responsibility Guidelines (GB/T 36000-2015)*
- Shanghai Stock Exchange Guidelines for *Environmental Information Disclosure of Listed Companies*

CURRENCY

Unless otherwise specified, all monetary quoted in the Report are presented in Renminbi (“RMB”).

REPORT AVAILABILITY

On an environmental-friendly basis, the Report is available in electronic version which can be viewed and downloaded on the Group’s website (<http://seazengroup.com.cn>) and the HKEXnews website (<http://www.hkexnews.hk>).

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PREFACE

Seazen always believes that vision determines the future and mindset shapes boundaries. Looking back on the past year, the external environment has been full of challenges, with the COVID-19 pandemic continuing to ravage the world and the real estate industry entering a period of deep adjustment. 2022 is the second year of Seazen's ten-year strategic plan. We have always upheld the spirit of resilience, focused on long-term thinking, and responded to uncertainty with the certainty of our core competencies. We remain committed to high-quality development, solidifying our "residential + commercial" dual-wheel drive strategy, integrating sustainable development concepts into our entire business chain development and management, seizing green, low-carbon, and healthy development opportunities, and steadily improving our environmental, social, and governance (ESG) performance.

In 2022, we enhanced institutional systems, improved various sustainable development policies, clarified the linkage mechanism between sustainable development key performance indicators and management compensation, moving towards a more scientific and effective governance method, and solidify ESG comprehensive management. At the same time, we actively responded to the Hong Kong Stock Exchange's "Climate Information Disclosure Guide" and refer to the Task Force on Climate-related Financial Disclosures (TCFD) framework to conduct assessment and analysis of climate change risks and opportunities. This will lay a solid foundation for further improving Seazen's climate risk management effectiveness and seizing climate opportunities. We also promote the institutionalization of business ethics, further improve the code of conduct for business behavior and the management of complaints and reports, and provide consistent driving force for Seazen's progress.

We are determined to work with the green movement and draw a blueprint for sustainable development of the "Green Seazen". In 2022, Seazen officially launched the "New Blue Action", with the dual carbon target as the overall guide, implementing Seazen's sustainable development strategy, and making steady progress in green and low-carbon development, building a management blueprint for green construction, a maintenance blueprint for green and low-carbon operations, and a sustainable development blueprint for green development. We integrated the concept of green and low-carbon development into the entire process of design and development, project construction, business operation, and daily work. By cooperating with China Architecture Design and Research Group, we completed the 2021 carbon inventory of all self-owned properties and projects under construction in the Seazen Group, laid a solid foundation for the systematic planning and carbon reduction action of Seazen. By the end of 2022, there were a total number 25 projects acquired China Green Building Operation Certifications, with a total green building area of 1,332 ten thousand sq.m. The green building coverage rates for commercial projects, residential projects, and new projects all reached 100%, actively promoting the development of green buildings.

We value the needs and feedback of every customer, providing them with excellent products and services to

ensure their satisfaction and happiness. As a benchmark in commercial real estate, Wuyue Plaza has opened 145 branches. Safety is an absolute priority in every aspect of our design, construction, and delivery process. With the strong support of our product quality training system, 36 Wuyue Plaza projects have acquired the ISO 9001:2015 quality management system certification during the reporting period. We continued to upgrade our "360° Happiness" customer service system, launched the "Happiness Experience Project," and brand private club events, offering our customers a comprehensive experience of happiness. At the same time, we provided 50 training events for our suppliers, with a total number of 2,699 of core suppliers reviewed during the Reporting Period and a 100% signing rate for the "Honest Cooperation Agreement". As we continue to pursue happiness, Seazen is committed to providing our customers and society with better and more beautiful spaces, exploring every answer to happiness together.

We stand alongside every Seazen employee and partner in this journey. Every employee is the driving force that drives Seazen through challenges. In 2022, Seazen strives to build a healthier, safer, and more beneficial working environment for its employees, ensuring their occupational health and safety. We have obtained the ISO 45001:2018 Occupational Health and Safety Management System certification for several consecutive years and have been awarded the title of "China's Best Employer" for 17 consecutive years by CHIRC, an authoritative domestic employer brand research organization. We care for our employees and vulnerable groups, optimizing welfare and protection measures, planning more vibrant employee activities, and safeguarding every Seazen person.

We strive to extend the social value of the Seazen and "make happiness simple". In 2022, Seazen actively explored all solutions that can have a positive impact on the local community and urban construction, participating in urban renewal projects such as brownfield transformation and commercial district development. In line with the national strategy for responding to aging, we upgraded our health and wellness business, providing a complete service package based on the principles of proximity to children, proximity to medical care, and proximity to life, to deepen the connection between seniors and the community. In alignment with the

rural revitalization strategy, we used live streaming to help promote local specialty agricultural products and intangible cultural heritage products, injecting cultural connotations into our agricultural assistance efforts. In 2022, we organized the "Colorful Light Project" public welfare activities 154 times, with a total participation of 50,543 people and cumulative public welfare donations exceeding RMB 400 million, promoting common prosperity with the community and creating a better society.

Our relentless efforts in the field of sustainable development have been recognized by multiple parties. In 2022, Seazen was rated BB by MSCI ESG rating, receiving higher ratings than peers in terms of corporate governance and other aspects. In addition, we also received many honors such as "Top 10 China Real Estate Enterprises in 2022" and "2022 ESG Development Impact Enterprise", demonstrating the positive recognition of society for Seazen's adherence to ESG philosophy and promotion of sustainable development actions.

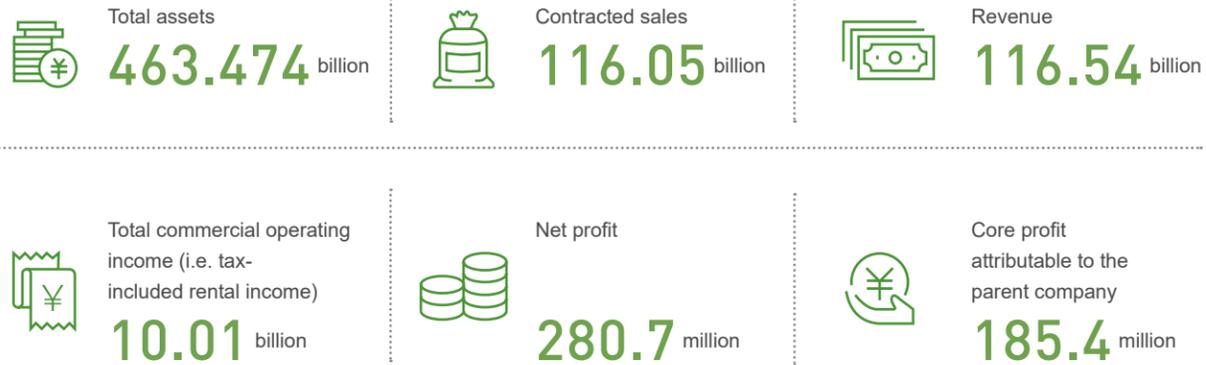
The 29-year history of Seazen is firmly remembered by every Seazen person, and joy is shared while happiness continues to be created. In the future, Seazen will continue to share joy, live up to its aspirations, and make happiness simple.

Seazen ESG Committee



SEAZEN'S 2022

Financial Performance



Environmental Performance

Green Building Certification



Social Performance

Technological innovation



Safety Production



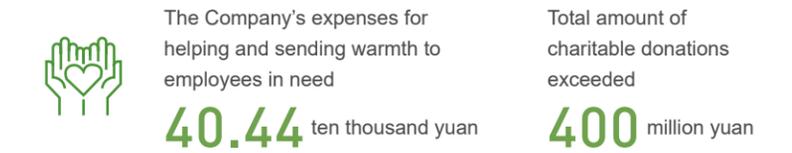
Employee Development



Supplier Management



Public Welfare



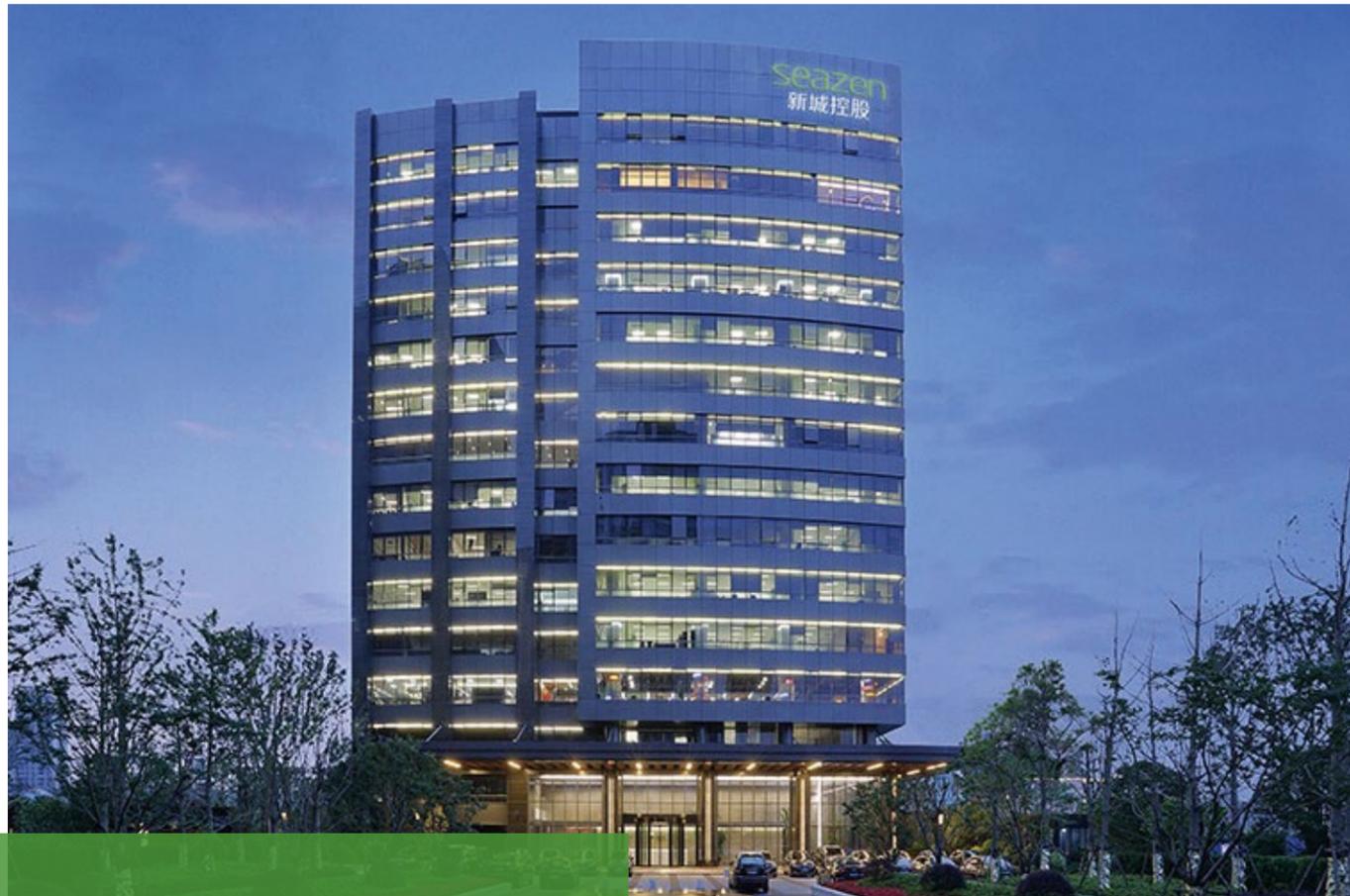
Completed rooftop distributed



Green Finance



ABOUT SEAZEN



COMPANY PROFILE

Founded in 1993, Seazen Group Limited (01030.HK) is an industry investment and operation group focused on building a happy life. Our businesses include residential development, commercial development, commercial operation and management, cinema, children's amusement parks, as well as related equity investments and asset management. Seazen aims to provide its users with a variety of life service solutions throughout the entire life cycle, and is committed to the corporate mission of "Making Happiness Simple."

During the Reporting Period,

- Total commercial operating income(i.e. tax-included rental income)
10.01 billion
- **25** projects acquired China Green Building Operation Certifications
- Total area meets green building standards
1,332 ten thousand sq.m.

CORPORATE CULTURE

As the unchanging mission of our group, "Making happiness simple" drives our group to develop towards the direction of "achieving the cornerstone of happiness, optimizing happiness solutions, innovating happiness experiences, and creating a happy ecosystem."



Awards and Recognitions

10th - 2022 Top 10 China Real Estate Developers in Comprehensive Strength	4th - 2022 Top 10 China Real Estate Developers in terms of Comprehensive Strength in Commercial Real Estate	2nd - 2022 Top 10 China Real Estate Developers in Commercial Real Estate Operation	4th - 2022 Top 20 Listed Real Estate Enterprises in China
8th - 2022 Top 100 real estate companies with comprehensive strength	2022 Top 20 Enterprises in China's Real Estate Safety Development, ranking 20th	15th - 2022 Top 100 real estate companies for Brand Value	2022 Annual ESG Influential Company
10th - Top 100 China Real Estate Enterprises	9th - 2022 Top 10 China Real Estate Enterprises in Financing Capacities	Won the title of "Best Employer in China" for 17 consecutive years	2022 Corporate Social Responsibility Carnival Charity Event Responsible Brand Award



DEEPENING GREEN AND LOW-CARBON DEVELOPMENT TO PROMOTE SUSTAINABLE DEVELOPMENT

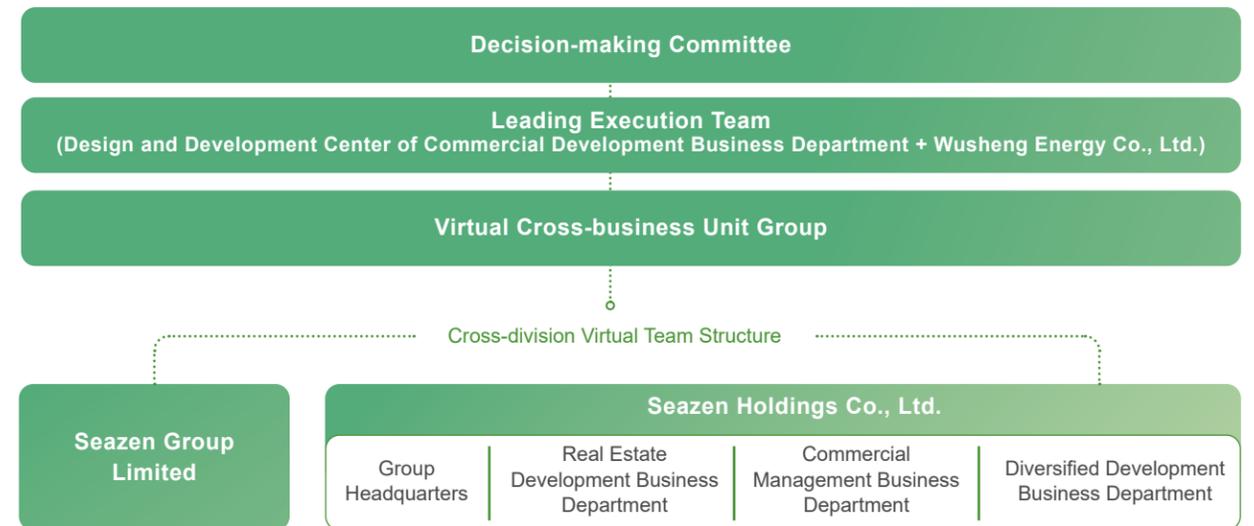
2022 is a milestone year for Seazen's steady progress in the national "dual carbon" strategy and low-carbon development. The establishment of the Green and Low-carbon Development Working Group and the launch of the "New Blue Action" marks Seazen's steadfast progress in the sustainable development process, and makes unremitting efforts to build a sustainable development management concept and model.

"XIN Management" Safeguards Green and Low-carbon Development

To fully implement the planning and requirements for national low-carbon development, and to accelerate the progress of green low-carbon work, Seazen has established a Green Low-Carbon Development Working Group in this fiscal year. Through a three-level operational structure composed of a decision-making committee, a leading execution team, and a virtual cross-business unit group, Seazen maximizes the integration of internal resources, better integrating the green and low-carbon development vision with the group's business and daily work of departments, and orderly carries out various tasks of the *Seazen Green and Low-carbon Development Plan*.



Organizational Structure of the Green and Low-carbon Development Working Group



Built upon a robust management framework, Seazen implements a rigorous mechanism for promoting and monitoring green and low-carbon development, as well as making feedback-based decisions. This mechanism effectively coordinates the progress of the Group's green and low-carbon development, promptly detects, reports, and resolves issues, and adjusts strategic directions in response to internal and external environmental changes and business development needs. As a result, the Group achieves its green and low-carbon development goals with agility and efficiency.

Meeting Advancement Mechanism

Efficient progress and coordination of low-carbon work related to various departments are achieved through monthly, semi-annual, and annual fixed meetings.

Feedback Decision-Making Mechanism

The organization will hold feedback and reporting meetings bi-weekly or monthly for various departments to focus on key issues. Based on the importance of the matter, the feedback will be submitted to leadership at all levels for decision-making.

"XIN Blueprint" Deepening Green and Low-Carbon Layout

Seazen has announced the release of its **"New Blue Action 3Green Blueprint,"** which aims to comprehensively implement its green and low-carbon strategies through the application of a management blueprint for green construction, an operation and maintenance blueprint for green and low-carbon, and a development blueprint for green and sustainable initiatives. By leveraging this initiative and in alignment with the sustainable development trend, Seazen is committed to working collaboratively with employees, partners and customers to promote a green and low-carbon lifestyle, explore innovative paths for green building and new energy, and ensure that healthy and sustainable corporate operations are effectively implemented. Ultimately, this endeavor will enable Seazen to draw up a robust green and happy blueprint that will guide its operations for years.



New Blue Action 3Green Blueprint

<p>Management Blueprint for Green Construction</p> <p>The Green Construction Blueprint aims to promote energy conservation and environmental protection. Starting from three aspects: "green building, green certification, and green technology", the blueprint combines social and economic benefits to achieve the green and low-carbon development of the group's business.</p>	<p>Green Building</p> <ul style="list-style-type: none"> The green building coverage rate of new projects reached 100%. About 45% of development projects have achieved prefabricated construction. Explore the green "smart" management model and use the "Internet +" to create a smart construction site.
	<p>Green Certification</p> <ul style="list-style-type: none"> In 2022, the green building coverage rate of new projects in Seazen reached 100%, including 8 LEED commercial gold pre-certifications, 1 WELL health commercial gold pre-certifications, 1 LEED commercial gold certification, 1 WELL health commercial gold certification, 1 LEED residential gold pre-certification, and 1 WELL health residential gold pre-certification. The certification of 52 green building materials was completed, achieving a certification coverage rate of 51% for green building material suppliers.
	<p>Green Technology</p> <ul style="list-style-type: none"> Formulate the best path for green technology, release the <i>Green Building Operation Guide</i> and the <i>Best Path for Green Building Four Certifications Technology</i>, and carry out special research on wisdom and health, completing the <i>Wisdom Special Research Report</i> and the <i>Health Research Report</i>.
<p>Operation and Maintenance Blueprint for Green and Low-carbon</p> <p>From project operation to daily office work, Seazen is guided by energy conservation and efficiency. With the development of "green shopping malls, green offices, and green energy use" as an opportunity, Seazen promotes a healthy and sustainable work and operation mode, enhances employee awareness of independent environmental protection, and through participation in the new energy industry chain, opens up a fast lane for the group's green and low-carbon development.</p>	<p>Green Shopping Mall</p> <ul style="list-style-type: none"> 17 shopping center projects have obtained the national green building operation label in 2022. Formulate <i>Green Lease Agreements</i> and sign <i>Green Lease Agreements</i> with all tenants.
	<p>Green Office</p> <ul style="list-style-type: none"> Carry out the "XIN Movement" activity and integrate into office environment, working methods, office equipment, and low-carbon life, and promote employees to practice green office lifestyle. Tianjing Wuyue obtained green and healthy office certification.
	<p>Green Power</p> <ul style="list-style-type: none"> Self-built distributed photovoltaic and connected to 51 photovoltaic power stations. The total annual power generation in 2022 reached 24.77 million kWh, reducing carbon emissions by 20,100 tons annually. Conduct a comprehensive energy review for ongoing and operating projects, achieving a carbon reduction of 5,126.68 tons.
<p>Development Blueprint for Green and Sustainability</p> <p>Seazen views green finance, carbon management, and employee care as fundamental to the long-term success and continuous to explore financial empowerment, promote carbon asset management, and create a happy workplace, building a sustainable growth model and blueprint for green and sustainable development.</p>	<p>Green Finance</p> <ul style="list-style-type: none"> Issued \$100 million of 7.95% preferred green bonds and completed energy financing of 164.84 million yuan.
	<p>Carbon Sequestration Management</p> <ul style="list-style-type: none"> Collaborated with China Architecture Design & Research Group to conduct a carbon emission inventory and develop a group-wide carbon reduction target and strategy.
	<p>Employee Care</p> <ul style="list-style-type: none"> For 17 consecutive years, we have been awarded the title of "China's Best Employer" by CHIRC, an authoritative domestic employer brand research institution.

Case • Tianjin Baodi Wuyue Plaza, the world's first shopping mall with ultra-low energy consumption

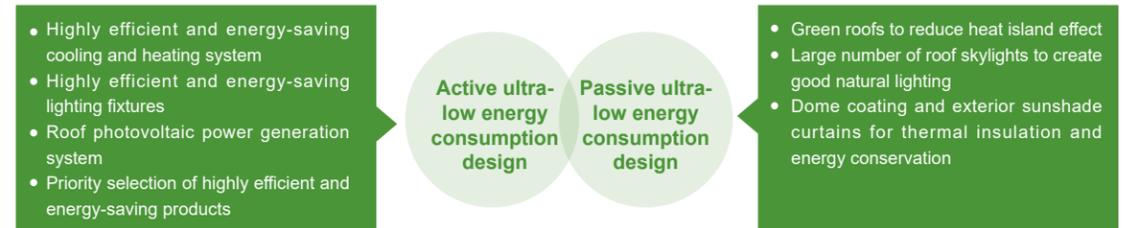


Tianjin Baodi Wuyue Plaza

In the current state of building technology and in the context of achieving carbon neutrality in the construction industry, the large-scale development of ultra-low energy buildings is one of the key tasks for implementing China's dual carbon strategy.

On December 20, 2022, Tianjin Baodi Wuyue Plaza was awarded the certification of ultra-low energy building at the 9th Forum on Ultra-Low Energy and Low Carbon Buildings, becoming the first ultra-low energy shopping center of the group. Large commercial complexes are one of the most challenging building types to improve energy efficiency due to their large size, complex functions, and high energy consumption intensity. In China, ultra-low energy buildings are mainly office buildings and residential buildings, and globally, ultra-low energy commercial buildings are mainly small and medium-sized buildings of around 10,000 square meters. With an area of over 100,000 square meters, Tianjin Baodi Wuyue Plaza is the world's first ultra-low energy large-scale commercial complex project.

Tianjin Baodi Wuyue Plaza achieved a building envelope energy saving rate of **45.1%**, a comprehensive energy saving rate of **54.6%**, and a renewable energy utilization rate of **69.0%** through **13** energy-saving special designs and high-efficiency energy utilization methods. This meets the ultra-low energy consumption index requirements of the national standard *"Technical Standard for Nearly Zero Energy Buildings"*. The project integrates 13 energy-saving and new energy technology products, 6 recycling technologies, and AI intelligent algorithms to form a complete energy system. The system uses renewable energy such as air and solar energy to solve the various energy demands of the shopping center, achieving ultra-low energy consumption for the building envelope and reaching the international leading level for buildings of the same size. It is estimated that this comprehensive energy solution will effectively reduce the construction cost of the shopping mall, achieve an annual electricity saving of **7.23** million kilowatt-hours, reduce carbon emissions by approximately **5,166** tons, and achieve a carbon reduction rate of **59.9%**. This provides a useful reference for designing and promoting ultra-low energy commercial buildings in cold regions and helps to achieve China's carbon peak and carbon neutralization goals in the construction industry.



Case Nanjing Jianye Wuyue Plaza was awarded LEED Gold Certification and National Green Building Two-Star Operation Label

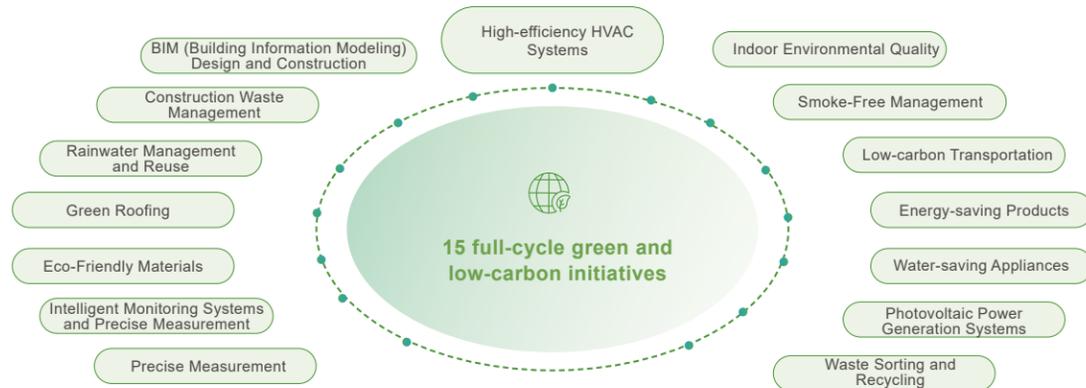
Nanjing Jianye Wuyue Plaza takes green, low-carbon, intelligent, and healthy as its core concepts, which are implemented in every aspect of design, construction, and operation management. It incorporates 15 full-cycle green and low-carbon initiatives and obtained LEED Gold certification and the National Green Building Two-Star Operation Label in 2022, reflecting the high recognition of both domestic and international green benchmark systems for its energy efficiency, environmental friendliness, and comfort.



Nanjing Jianye Wuyue Plaza



Nanjing Jianye Wuyue Plaza LEED Gold Certification and Green Building Two-Star Operation Label



Constructing green projects to protect the urban environment

- BIM design and construction** > BIM technology is used for modeling in the preliminary design and construction stages to achieve rational layout, accurate positioning, aesthetics, easy maintenance, and reduced material consumption.
- Construction waste management** > Strict control is maintained over waste recovery, adhering to national and local laws and regulations and the requirements of the US Green Building Rating System, with a waste recovery rate of over 95%.
- Environmentally friendly materials** > The use of environmentally friendly paint controls the VOCs¹ content that may come from materials at the source and improves indoor air quality, creating a healthy and friendly space.

¹ Volatile Organic Compounds (VOCs): Most VOCs produce unpleasant odors and have toxicity, irritancy, mutagenicity, and carcinogenicity. VOCs also play a role in the formation of ozone and secondary aerosols in the atmosphere, which have significant impacts on regional atmospheric ozone pollution and PM2.5 pollution.

Standardization of Green Technology Integration for Multidimensional Energy Conservation and Emissions Reduction

- Efficient HVAC Equipment** > The building has an efficient cooling system that includes McQuay and York chillers. The system has excellent thermal energy conversion and economic performance. Environmentally friendly refrigerant R134a is used to reduce the impact of refrigerant emissions on the atmosphere's ozone layer.
- Rainwater Management and Reuse** > Rainwater collection tanks are installed underground to effectively resist urban flood risks. At the same time, the stored rainwater is treated and reused to save water.
- Roof Greening** > Advanced passive design concepts are adopted, and more than **3,500** square meters of roof greening are installed. Local dominant species are selected to effectively reduce the heat island effect and thus reduce carbon emissions.
- Photovoltaic Power Generation System** > Distributed rooftop photovoltaic power generation systems are installed to effectively increase the proportion of clean energy use, reduce building energy consumption, and create advanced low-carbon buildings.
- Water-Saving Appliances** > Water-saving appliances are used, and rainwater is reused to reduce indoor water consumption by more than **50%**.

Smart management and green operation, advocating the concept of eco-friendly consumption

- Precise measurement** > Precise measurement during operation, setting a total electricity meter for the mall, separate metering for public lighting, air conditioning, elevators, etc., metering by tenant, and real-time monitoring of energy consumption.
- Intelligent monitoring system** > Using new cloud intelligent monitoring system, real-time collaborative monitoring of fire protection, anti-theft alarm, access control, passenger flow statistics, parking management, HVAC, lighting, water supply and drainage, elevators, power distribution, outdoor lighting and other systems, analyzing and comparing energy consumption, and achieving efficient operation and maintenance.
- Indoor environment quality** > Real-time monitoring of indoor environment quality in different zones, linking CO₂ concentration monitoring system with fresh air handling unit in densely populated areas, and linking CO concentration monitoring system with exhaust fan in underground garage area to ensure indoor air quality.
- Energy-saving products** > Making energy-saving and eco-friendly requirements for cooperative enterprises, and giving priority to selecting energy-saving products that have obtained the national high-efficiency grade to minimize energy consumption.
- Low-carbon transportation** > Setting up multiple charging piles and designated parking spaces for electric vehicles in the underground parking garage to facilitate the use of new energy vehicles.
- Garbage classification and recycling** > Strictly carrying out garbage classification and recycling to improve the efficiency of resource utilization.
- Smoke-free management** > Completely banning smoking, setting up no-smoking signs and designated smoking areas outside, and keeping indoor air fresh.



"XIN Action" Accelerating Green and Low-Carbon Progress

To accelerate the process of achieving carbon neutrality, during the reporting period, Seazen cooperated with China Architecture Science Research Institute Co., Ltd. to benchmark carbon emissions information from property and real estate enterprises in Hong Kong, mainland China, the United States, and other places. We researched calculation and accounting methods from both domestic and international standards such as ISO14064, greenhouse gas accounting systems, greenhouse gas emission accounting methods for public building operation enterprises, and building carbon emission calculation standards. Direct carbon emissions (Scope 1) and energy indirect carbon emissions (Scope 2) were included in the carbon inventory according to international rules, while other indirect emissions (Scope 3) were researched as content. Seazen established a method for calculating carbon emissions and completed the 2021 carbon inventory work for the entire group. The carbon inventory work in this period covered over 370 self-owned properties and ongoing projects of the group, including over 130 operating Wuyue Plazas, hotels, headquarters office buildings, and cooperative projects. The total building area involved is about 95 million square meters, marking another breakthrough in Seazen's low-carbon progress.

"XIN Vision" Looking Forward to the Green and Low-Carbon Future

Seazen upholds the principle of "Attitude, Implementation, Execution" to promote the New Blue Action and touch the hearts of every stakeholder, igniting the green light of Seazen in every corner it reaches.

By integrating green and low-carbon into the work and life of every Seazen employee, we strive to create a sense of purpose, awareness, and attitude towards green and low-carbon practices.



The New Blue Action not only serves as a brand communication strategy, but also incorporates green and low-carbon practices into operational execution. Through closed-loop management of their business operations, effective control is ensured through detailed management guidelines and execution measures, resulting in the achievement of each green and low-carbon objective.

By implementing management regulations and executing ground-level actions, we ensure that each green objective corresponds to specific implementation measures and leads to actual achievements.

New Green Action

Seazen sets a green "New" goal of greening 5 million square meters within five years, launched a "one person donates one tree" campaign to contribute more green carbon sink resources, and showcased various green low-carbon benchmark projects to explore new green scenarios.

Happiness Experience Project

Comprehensively demonstrating new urban green, low-carbon benchmark projects, and exploring new green scenarios.

XIN Charity Run

Inviting Seazen business owners, members, and partners to participate in environmental protection charity runs, and contribute to green, low-carbon emissions reduction.

XIN Movement

Calling on all Seazen residents to start with small things around them, actively respond to waste reduction actions, smoke-free environments, garbage sorting, etc., and jointly build a green and sustainable workplace.

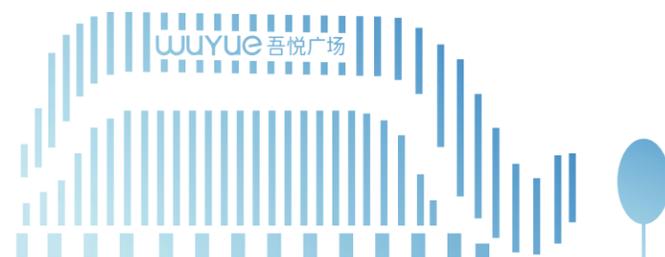
01

OPERATING WITH INTEGRITY, SHAPING A COMPLIANT SEAZEN

In adherence to the principles of "integrity and compliance, diligence and perseverance," Seazen considers integrity and compliance as the cornerstone of the group's steady development by establishing a sound risk management system, closely monitoring and promoting business ethics, and comprehensively strengthening intellectual property protection. Through operating with integrity and compliance, we continuously enhance our sustainable development resilience, safeguard the interests of stakeholders, and shape a compliant Seazen.

1.1 CORPORATE GOVERNANCE

1.2 MANAGEMENT OF SUSTAINABLE DEVELOPMENT



CORPORATE GOVERNANCE

Corporate Governance and Risk Management

The group is committed to ensuring the completeness of corporate governance in order to create a healthy and stable operating environment. Seazen has developed a series of corporate governance systems and regulations, formed a scientific and effective working mechanism, and regularly disclosed information in accordance with relevant guidelines and regulations of regulatory agencies.

Regulations followed by the Company:	Internal systems of the Company:
<p>Company Law of the People's Republic of China</p> <p>Securities Law of the People's Republic of China</p> <p>Corporate Governance Guidelines for Listed Companies</p> <p>Corporate Governance Guidelines</p>	<p>the Rules of Procedure</p> <p>the Rules of Procedure for the Board of Directors</p> <p>the Rules of Procedure for the Board of Supervisors</p> <p>Foreign Investment Management System</p> <p>Guarantee Management System for External Parties</p> <p>Internal Control System</p> <p>the Independent Director Working System</p> <p>the Working Rules for the President</p> <p>the Information Disclosure Management System</p> <p>the Insider Information Registration Management System</p> <p>the Seazen Holdings Related Party Transaction Management System</p> <p>the Seazen Development Complaint and Reporting Management System</p>



Governance Structure of Seazen

Policy of Board Diversity

When nominating and appointing members of the Board of Directors, the Nomination Committee of the Group considers multiple factors, including but not limited to gender, age, education background, skills, knowledge, and professional experience, in order to enhance the diversity of the Board's governance and promote democratic, diverse, and inclusive development of the Group.

Management of Related Transactions

To further regulate related party transactions and safeguard the rights and interests of the Company and non-related party shareholders, the internal audit department of our Company continues to review the adequacy and effectiveness of related party transactions and internal monitoring procedures. At the same time, the review results are provided to independent non-executive directors for annual review. Seazen Holdings Co., Ltd., a subsidiary of the Group, has formulated the *Seazen Holdings Related Party Transaction Management System* in combination with actual circumstances, and complies with the requirements of the listing rules, strictly regulating the declaration, announcement, annual review, and decision-making procedures of related parties and related party transactions. During the reporting period, all related party transactions conducted by the Group complied with relevant regulations and requirements, and we will consider formulating related party transaction policies in the future.

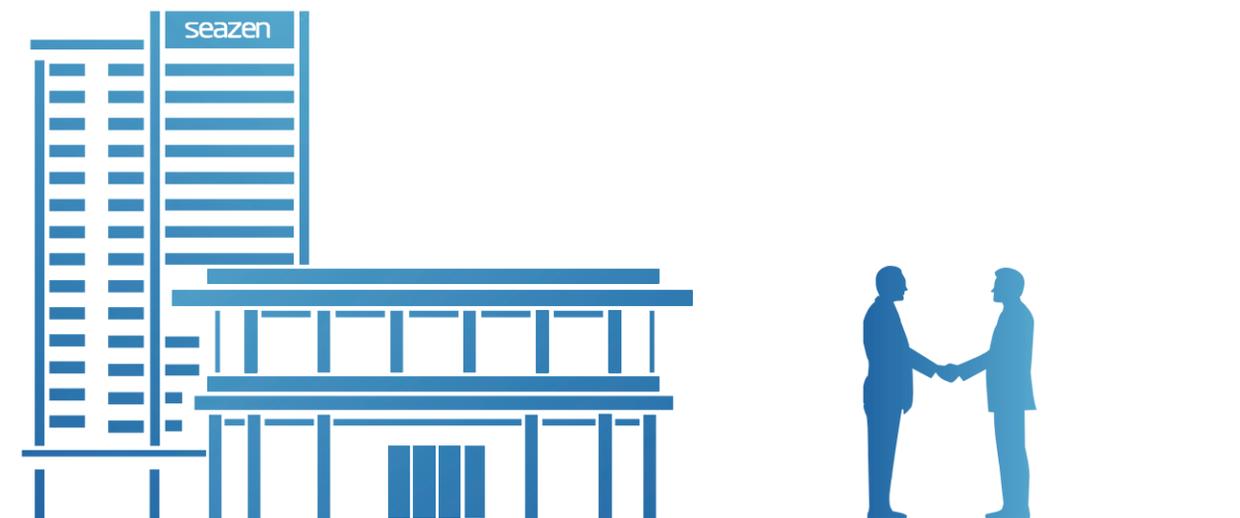
Management of Information Disclosure Transparency

In order to continuously strengthen information disclosure management and improve corporate transparency, the company regularly discloses information to the public in a truthful, accurate, and comprehensive manner in accordance with national laws and relevant regulations. During the reporting period, Seazen and its subsidiaries issued 4 regular reports and 83 interim reports, disclosing significant business decisions, financial performance, and other business activities to stakeholders.

During the reporting period, the Company's shareholders' meeting, Board of Directors, and specialized committees and management operated according to their respective decision-making and regulatory functions. During the reporting period, Seazen and its subsidiaries held a total of 11 board meetings, 16 specialized committee meetings, and 4 shareholders' meeting, safeguarding the rights and interests of all stakeholders.

During the Reporting Period, Seazen and its subsidiaries:

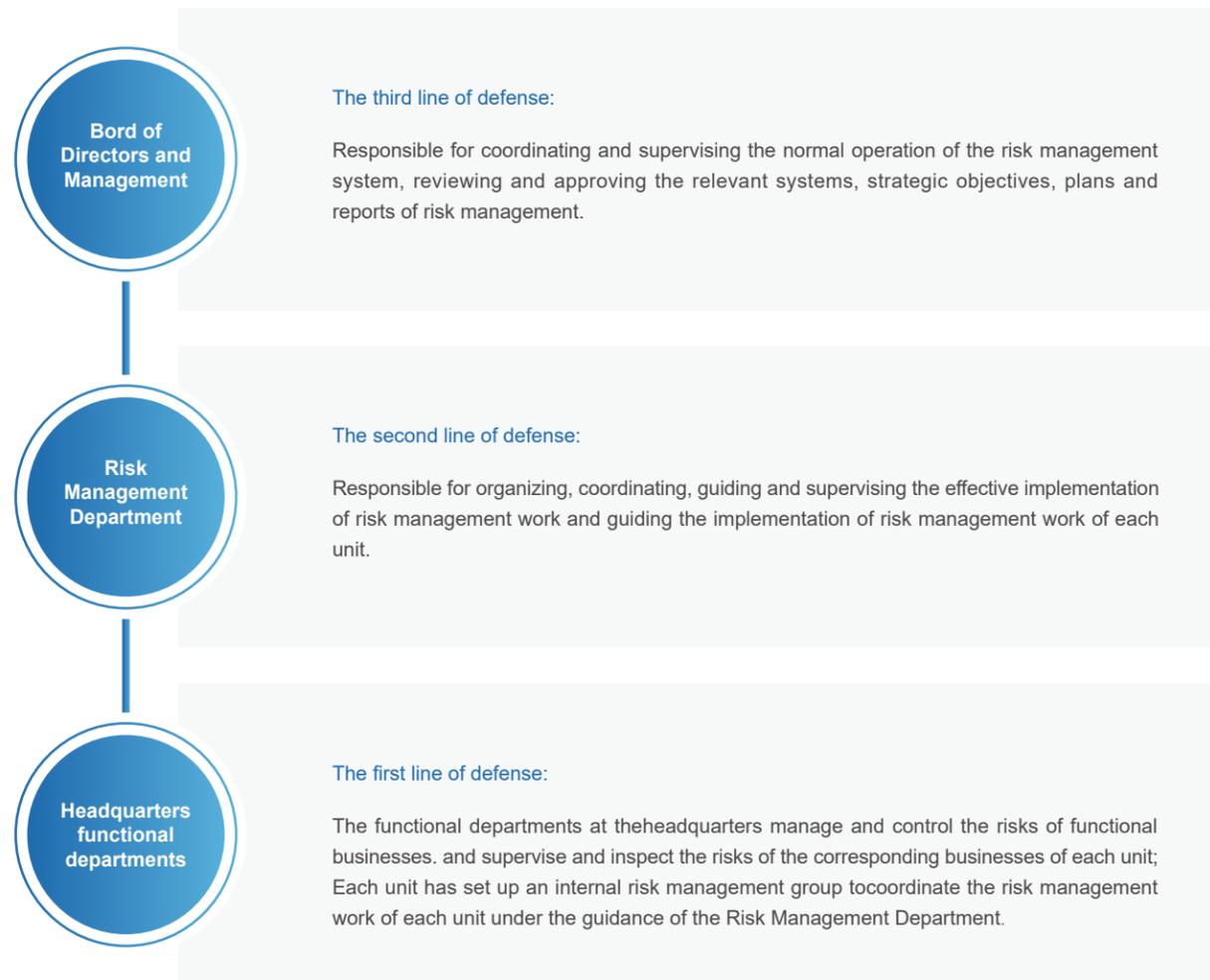
- issued **4** regular reports
- issued **83** interim reports
- held **11** board meetings
- held **16** specialized committee meetings
- held **4** shareholders' meeting



Risk Management

Seazen firmly believes that a sound risk management mechanism is the foundation for the long-term development of an enterprise. During the reporting period, Seazen continued to strengthen its internal risk control system by combing through its business processes, starting from the company's risks in areas such as preliminary planning, design and development, marketing management, project procurement, finance, labor force, and public relations customer service, and formulating a risk control manual that includes business risk scenarios. At the same time, based on the existing risk management system and market changes, Seazen continually updates relevant regulations and provisions, including the *Risk Management System and Risk Early Warning System*, to enhance its ability to handle and respond to significant risk events and improve its overall risk management level. In order to ensure the achievement of corporate goals, the company continually optimizes its "three-line of defense" risk management model, with the board of directors as the primary responsible entity. During the reporting period, Seazen completed 76 audits, and managed to resolve the findings accordingly.

During the Reporting Period,
Seazen completed **76** audits

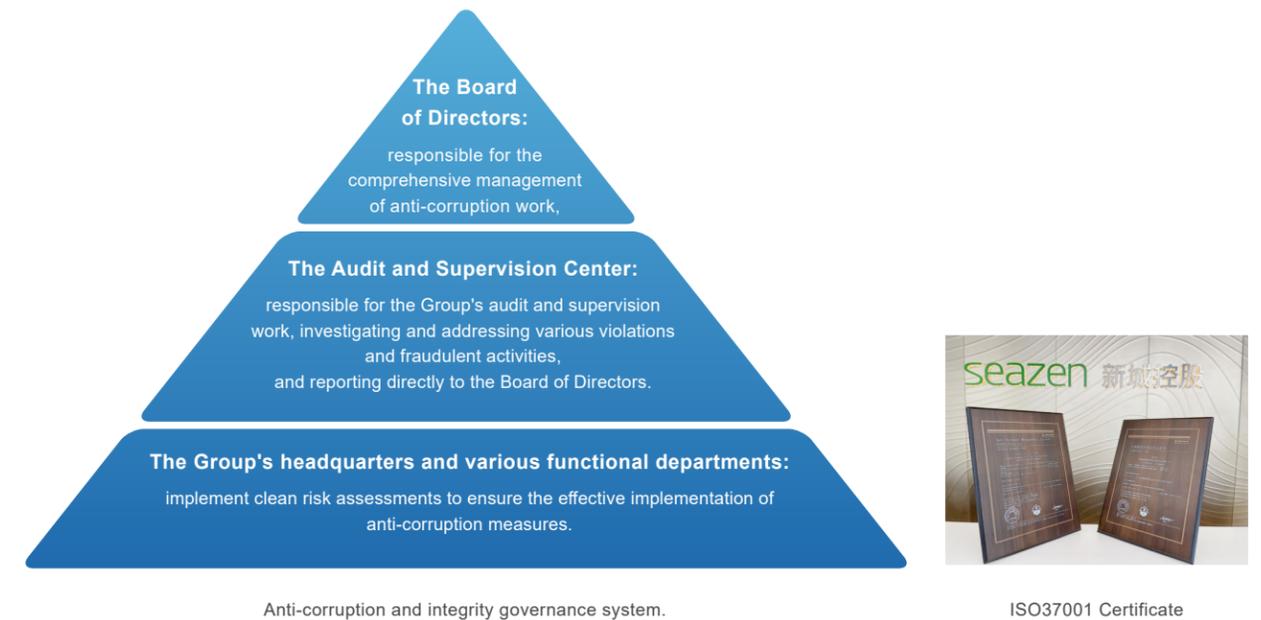


Seazen's Risk Management Framework

Business Ethics Development

Anti-Corruption and Integrity System

As an executive member of the China Enterprise Anti-Fraud Alliance, Seazen places high importance on anti-corruption measures and adopts a "zero-tolerance" approach towards any form of fraudulent behavior. The Group has established a sound internal control and audit supervision system based on laws and regulations such as the *Company Law of the People's Republic of China*, and has implemented strict regulations for various violations and corrupt practices including bribery, embezzlement, and fraud. The Group conducts regular audits and inspections, including routine and special audits, and shares the audit results through reports and case studies. Seazen Holdings, a subsidiary of the Group, has developed the *Anti-Bribery and Anti-Corruption System* and the *Audit and Supervision Management Measures*, and strictly enforces the *Employee Code of Conduct* and other related regulations to promote the continuous optimization of the anti-bribery system. During the reporting period, Seazen Holdings' Shanghai branch has successfully obtained the ISO37001 certification for the international anti-bribery management system, marking the Group's anti-bribery management system's recognition by a professional international standard.



In order to ensure the effective implementation of anti-corruption and integrity work, the Group conducts regular professional ethical audits for employees, prohibits employees from engaging in, participating in, supporting, or condoning behavior that damages the Group's interests. At the same time, to regulate the behavior of suppliers and contractors in cooperation, the Group requires all cooperative suppliers to sign the "Sunshine Clause" and "Integrity Cooperation Commitment", to clarify the responsibilities of both parties and maintain an honest and self-disciplined cooperative relationship during the performance of contracts. During the reporting period, there were five corruption lawsuits filed against the Group that have been resolved, and 709 valid reported cases were received.

During the Reporting Period,
5 corruption lawsuits filed against the Group that have been resolved
709 valid reported cases were received.

Whistleblowing and Complaint Mechanism

To ensure our employees abide by laws and regulations and maintain integrity, the group has implemented a reporting and complaint mechanism in internal control and audit, accepting reports from all parties regarding violations such as internal corruption, kickbacks, bid-rigging, and nepotism. In 2022, the group further clarified and adjusted regulations and rules such as the *Employee Code of Conduct* and the *Seazen Development Complaint and Reporting Management System*, expanding the scope of application of the system and refining the requirements for reporting matters. At the same time, to protect the privacy and security of whistleblowers, the group has established a more rigorous confidentiality system to ensure the basic rights of whistleblowers, strictly prohibiting any form of retaliation against whistleblowers and audit and monitoring investigators, and ensuring that the company conducts cooperation and communication with various stakeholders in accordance with high standards of business ethics. The reporting and complaint channels and measures for whistleblower protection are also announced on the official website.

Whistleblower Protection Measures:

- An avoidance system is implemented for those who have a conflict of interest with the reported information.
- The personal information and content of the report of the whistleblower are strictly kept confidential, with the report materials listed as classified information management. Audit investigators properly store and use confidential information, and contact with personnel who are not related to the investigation is strictly prohibited.
- During the audit investigation, except for special investigators, no one is allowed to inquire about or discuss work-related information, and personnel participating in the special investigation are not allowed to disclose the content of the investigation to anyone.
- No individual or organization may obstruct or suppress whistleblowing and retaliate against whistleblowers under any pretext.
- Once retaliation is confirmed, it will be seriously dealt with in accordance with the company's relevant regulations. If it constitutes a crime, it will be transferred to judicial organs for handling.

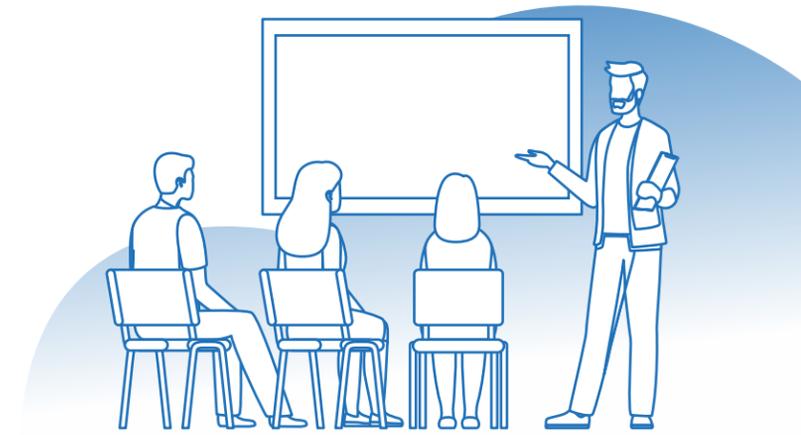
Contact information for whistle-blowing

 <p>Hotline: 021-3252 2898</p>	 <p>Whistle-blowing WeChat: lianzhengxincheng</p>
 <p>Email: jubao@xincheng.com</p>	 <p>Mailing address: Audit and Supervision Center, Tower A, Seazen Holdings Building, No. 6, Lane 388, Zhongjiang Road, Putuo District, Shanghai.</p>

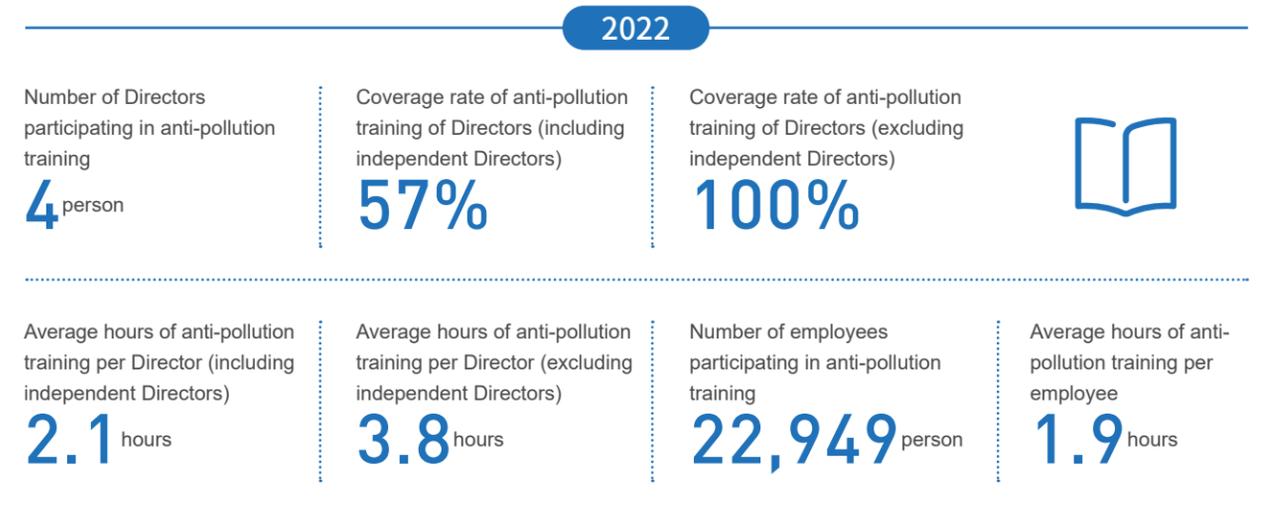
Ethical Awareness

To strengthen the education of a culture of integrity, the group uses a combination of online and offline methods to carry out comprehensive integrity publicity to the board of directors, all employees, and suppliers. By conveying the requirements of integrity management to directors and senior management, the effectiveness of integrity education and the audit work are improved, helping to integrate audit and business, and enhancing the level of governance.

In addition, the group has also carried out ethical awareness for suppliers. In August 2022, a letter of commitment and advocacy was sent to suppliers through the procurement platform, emphasizing the specific requirements of Seazen's integrity management in the supply chain, and jointly establishing a well communication mechanism with partners. By conducting supplier integrity publicity, supplier symposiums, and distributing advocacy materials, the group is committed to building a healthy cooperative atmosphere and jointly building compliance defenses.



Seazen Anti-corruption Training in 2022



Seazen has carried out legal risk training through its online learning platform, with a total of 201 legal training courses being available online. The Company promotes online courses 303 times a year and has had a total of 15,414 participants. Additionally, all company employees voluntarily signed the *Clean and Self-discipline Commitment*, with a 100% signing rate.

Case Promote New Ethical Standards and Build a Clean Great Wall - Theme Learning and Education Activity

To further strengthen the Party conduct and integrity governance of Seazen Group, in July 2022, the Party Committee, Discipline Inspection Commission, and Audit and Supervision Center of the group jointly organized the "Learn Party discipline and regulations, establish new ethical standards". Seazen Party conduct and integrity governance construction theme learning and education activity, as well as the second lecture of the "Happy Party Building, Initial Aspirations" lecture series. During the event, a special warning education video was presented for all staff to watch. By using cases to explain laws and regulations, clarifying disciplinary measures, and advocating for honesty, cases, clear perspectives, and detailed analysis were used to strengthen the anti-corruption mindset of all staff.



Theme Learning and Education Activity

Case Integrity Governance Culture Theme Promotion Month

In August 2022, the group carried out the third annual "Integrity Governance Culture Theme Promotion Month" activity with the theme of "Integrity connects us by walking together". This initiative was creative and aligned with the New Green Action movement, resulting in an enhanced focus on integrity governance education. Activities such as debates, engaging sports competitions, and quizzes on integrity governance knowledge were linked to tree planting initiatives to promote integrity. Furthermore, self-assessment and self-correction activities, cultural wall postings, and knowledge sharing sessions were organized to instill a sense of accountability and integrate integrity practices into daily work routines. This resulted in a positive trend towards integrity operation.



Promotion and Public Service Certificate for the Month of Integrity Culture Advocacy Campaign

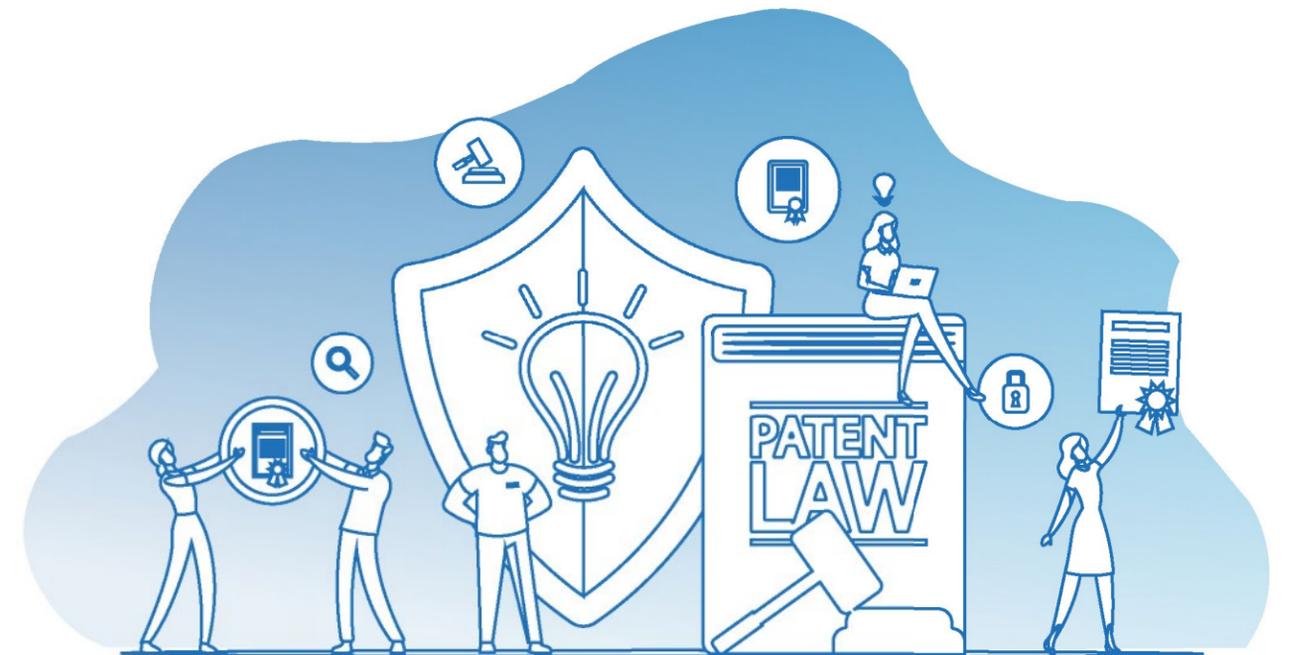
Intellectual Property Rights Protection

Seazen places a strong emphasis on protecting intellectual property rights to mitigate the risks of infringement. The company has established a mechanism to safeguard intellectual property rights in compliance with relevant laws and regulations such as the *People's Republic of China Copyright Law* and the *People's Republic of China Patent Law*. Additionally, internal management systems and operational guidelines have been developed and implemented following the principle of unified management and hierarchical processing. In 2022, Seazen hired third-party firm² to conduct a comprehensive due diligence of its intellectual property rights, including an analysis of current trademarks and patents, and received recommendations for improvement. Going forward, Seazen aims to introduce self-adaptive management models, such as independent management, centralized management, vertical management, and matrix management, to further enhance the protection and maintenance of its intellectual property rights.

Seazen actively promotes innovation and invention among its employees. The company has implemented incentive measures, such as the *Notice on Rewarding Employee Patent Applications*, to encourage employees who have made significant knowledge achievements during work hours and have applied for patents, supporting the high-quality development. During the reporting period, Seazen applied for a total of 414 intellectual property rights, including 127 patent applications (8 invention patents) and 287 trademark patents. To safeguard its own and others' rights and interests, the group has submitted objections to various acts of infringement and has taken legal action to protect its rights and interests.

During the reporting period,

- Seazen applied for a total of **414** intellectual property rights
- including **127** patent applications
- 287** trademark patents



² Beijing Zhenglitrademark Office Co., LTD

MANAGEMENT OF SUSTAINABLE DEVELOPMENT

ESG Governance and Board Statement

Seazen has established the Environment, Social, and Governance Committee (ESG Committee) under the Board of Directors to oversee ESG management within the organization. The committee is responsible for formulating and reviewing ESG strategies, policies, and goals, while the ESG working group ensures their execution and implementation in various departments. Seazen's Board of Directors places a high priority on setting ESG goals and has established a normalized tracking and supervision mechanism to ensure systematic management of ESG affairs throughout the company. Seazen has also implemented a performance-based incentive system for sustainable development, tied to the compensation of senior management personnel. To ensure the balance and effectiveness of ESG decisions, corresponding clarifications have been made in the "Stock Option and Restricted Stock Incentive Plan," enhancing Seazen's impact on sustainable development.



ESG governance structure of Seazen

During the reporting period, the Board of Directors, the ESG Committee, and the ESG Working Group fulfilled the following responsibilities:

- | | |
|----------------------------------|--|
| <p>Board of Directors</p> | <ul style="list-style-type: none"> As the highest decision-making unit, the Board of Directors is responsible for determining the ESG management framework and management strategy of the company; ensuring the establishment of appropriate and effective ESG risk management and internal control systems; and reviewing and approving the company's annual ESG report. The 2022 ESG Report was reviewed and approved by the Board of Directors on March 31, 2023. |
| <p>ESG Committee</p> | <ul style="list-style-type: none"> Review the company's ESG responsibilities, vision, strategies, frameworks, principles, and policies; strengthen the importance assessment process to ensure the continued implementation of ESG policies approved by the Board of Directors. Supervise the company's communication channels and methods with stakeholders to protect the company's reputation. Review ESG trends, relevant risks and opportunities, and update ESG policies as necessary to ensure compliance with applicable laws and regulations, regulatory requirements, and international standards. Review the company's ESG goals and regularly review the progress of ESG goal achievement. Monitor the assessment of the company's business impact on the environment and society and make recommendations to the Board of Directors. Review the company's annual ESG report and propose specific actions or decisions for the Board of Directors to consider maintaining the integrity of the ESG report. |
| <p>ESG Working Group</p> | <ul style="list-style-type: none"> Implement specific ESG work and monitor and assist various departments in achieving ESG goals based on the ESG work plan developed by management. Identify ESG-related risks and opportunities, track changes in relevant laws and regulations, regulatory requirements, and domestic and international standards, and report to management on a regular basis. Collect, analyze, and compile ESG data and information on a regular basis. Prepare the annual ESG report and submit it to management for review. |

Development Direction of Annual ESG Work

At the beginning of 2023, the ESG Committee convened its first meeting for the year, where it reviewed the achievements of Seazen's sustainable development in 2022, affirmed the impact of the New Blue Action on promoting the group's green and low-carbon development, and emphasized the importance of carbon inventory work across the entire group. At the same time, important plans were made for sustainable development work in 2023, with a focus on strengthening health and safety efforts, improving EHS certification levels for new projects, enhancing auditing and strict control, and extending health and safety standards to the entire supply chain. The Committee also aimed to regulate corporate behavior, continuously improve anti-corruption and business ethics policies, and strengthen relevant training, enhance corporate governance capabilities, increase the diversity of the Board, seek green building opportunities, promote green leasing and ecological restoration work, and push the group's sustainable development to a new milestone.



Sustainable Development Strategy

The promotion of the United Nations' 2030 Sustainable Development Goals (SDGs) has been a central focus of Seazen's sustainable development efforts. To effectively fulfill our economic, environmental, and social responsibilities, and contribute to the early realization of the SDGs' grand vision, we have made the following commitments to sustainable development in 2022:

Section	Response to the United Nations Sustainable Development Goals	Commitment to sustainability	ESG issues of concern
Operating with Integrity, Shaping a Compliant Seazen		<p>Adhere to "zero tolerance" for corruption:</p> <ul style="list-style-type: none"> fight against commercial bribery; develop legal support under the Company's whistleblower protection policy, introduce relevant policies and make legal support channels available on the official website; maintain a smooth and effective whistle-blowing mechanism, and work with all employees and partners to build a culture of integrity in Seazen; 	<p>Anti-business bribery and anti-corruption</p> <p>Risk management and internal control</p> <p>Stakeholder communication</p> <p>Intellectual property rights</p> <p>Legal and compliant operations</p> <p>Diversity of Board composition</p> <p>ESG governance by the Board</p>
Quality First, Creating a Sustainable Value Chain Together		<p>Adhere to promote the construction of green buildings; insist on building commercial and residential properties that are safe, resilient to disasters and sustainable development:</p> <ul style="list-style-type: none"> improve construction management and safety risk control capabilities, and promote ISO 9001 quality management system certification for projects that have the conditions; engage third-party testing organizations to monitor the quality of the construction process of qualified projects throughout the process <p>Adhering to the full life-cycle customer service system of Happiness 360°, ensuring the health and safety of property owners and consumers:</p> <ul style="list-style-type: none"> develop marketing policies, internal control procedures and training programs for responsible marketing and strict control of false advertising comprehensively improving customer satisfaction <p>Adhere to strict screening and management of suppliers:</p> <ul style="list-style-type: none"> ensure that suppliers meet or exceed the Company's supplier standards; develop policies and measures related to quality inspection of suppliers (including indirect suppliers) and strengthen third-party audits; improve the coverage of business ethics training for suppliers; work with suppliers to create safe, disaster-resistant and sustainable commercial and residential properties 	<p>Sustainable business models</p> <p>Product quality management</p> <p>Technological innovation and digital development</p> <p>Driving sustainable development impact management for customers and tenants</p> <p>Customer privacy and information security</p> <p>Customer satisfaction</p> <p>Green procurement</p> <p>Responsible supply chain management</p> <p>Urban/community building and development</p> <p>Industry communication and collaboration</p> <p>Anti-bribery and anti-corruption</p>

Section	Response to the United Nations Sustainable Development Goals	Commitment to sustainability	ESG issues of concern
Protecting the Environment, Pursuing Green and Low-Carbon Development		<p>Adhering to environmental protection, energy conservation and emission reduction, and continuously promoting the construction of green buildings:</p> <ul style="list-style-type: none"> by 2025, the greenhouse gas emissions, energy consumption, non-hazardous waste emissions and water consumption (i.e. emission intensity) per million dollars of rental and management fee income of urban complexes will be reduced by 10% (2020 as the base year); develop green building certification program and commit to 100% green building coverage in new projects by 2024; promote the use of renewable energy and commit to achieving a renewable energy utilization rate of 8% or more in the new Wuyue Plaza by 2024; promote the establishment and implementation of an environmental management system at the commercial property level; <p>Develop reasonable and feasible urban renewal, affordable residential and commercial projects, brownfield redevelopment plans and landing proposals</p>	<p>Green building design and promotion</p> <p>Urban renewal and co-construction</p> <p>Management of emissions</p> <p>Use of resources and efficiency</p> <p>Responding to climate change and reduce GHG emission</p> <p>Green operations and office preservation of biodiversity</p>
Caring for Employees, Creating a Diverse Culture		<p>Safeguard the health and safety of the Company's employees:</p> <ul style="list-style-type: none"> strive to achieve zero work-related fatalities; promote the establishment of EHS management system for quality, safety, civilization and civilized construction system, promote ISO 45001:2018 or OHSAS18000 health and safety management system certification for headquarters and each molecular company, and commit to complete EHS system certification for 20% of new projects in 2024; enforce the same supplier health and safety standards as our employees; promote safe and civilized construction, and create safe and guaranteed construction environment 	<p>Employee occupational health and safety</p> <p>Diversity and equal opportunity</p> <p>Employee training and development</p> <p>Employment, compensation, and benefits</p> <p>Enhancing employee engagement and satisfaction</p>
Cohesive Efforts to Benefit the Society		<p>Adhering to the "Colorful Light Project" public welfare platform:</p> <ul style="list-style-type: none"> actively undertaking corporate social responsibilities continuously carrying out public welfare activities 	<p>Public welfare and charity</p> <p>Urban renewal and co-building</p>

Sustainable Development Policies

Seazen has established a series of sustainable development policies that are applicable to the group, demonstrating our commitment to promoting sustainable development to the outside world. These policies also set forth relevant requirements and initiatives for our internal and external stakeholders.



Seazen's sustainable development policy demonstrates a responsible and sustainable corporate image in ten areas:

1. The company and its partners jointly promote sustainable development in the real estate industry.
2. The company is responsible for managing and protecting natural resources and biodiversity affected by its operations, and evaluates and manages potential adverse environmental impacts caused by its business operations.
3. The company is committed to operating in a way that ensures the health and safety of all its stakeholders in a reasonable and feasible manner.
4. The company is committed to creating a fair and respectful working environment for all employees, enabling everyone to demonstrate their strengths and become a preferred employer brand.
5. The company supports sustainable development advocates among suppliers and contractors and encourages them to implement similar policies.
6. The company advocates for responsible use of its products and services by customers.
7. The company establishes good relationships with the communities in which it operates, respecting their culture and traditions while promoting community development.
8. The company empowers employees to actively participate in sustainable development initiatives in their work and community.
9. The company regularly communicates with stakeholders to understand their perspectives and concerns.
10. The company reviews this sustainable development policy on a regular basis or at least every three years.

Management of Stakeholders

The opinions of internal and external stakeholders have a significant impact on the ESG work of the group. As the foundation for ESG work, the group attaches great importance to stakeholder feedback and has established multi-channel and normalized communication and feedback mechanisms with various stakeholders, including government and regulatory agencies, investors and shareholders, customers, suppliers and partners, employees, industry associations, and the environment and society. Based on the feedback received, the group timely updates and adjusts its sustainable development strategy to respond to stakeholder requirements and expectations.

During the reporting period, Seazen and its subsidiaries participated in 30 brokerage strategy meetings, conducted 62 company roadshows, organized 19 company and project surveys, and held 58 conference calls. By engaging with investors, we aim to maintain a long-term relationship of trust between them and the company, and effectively communicate the company's values in a timely and comprehensive manner.

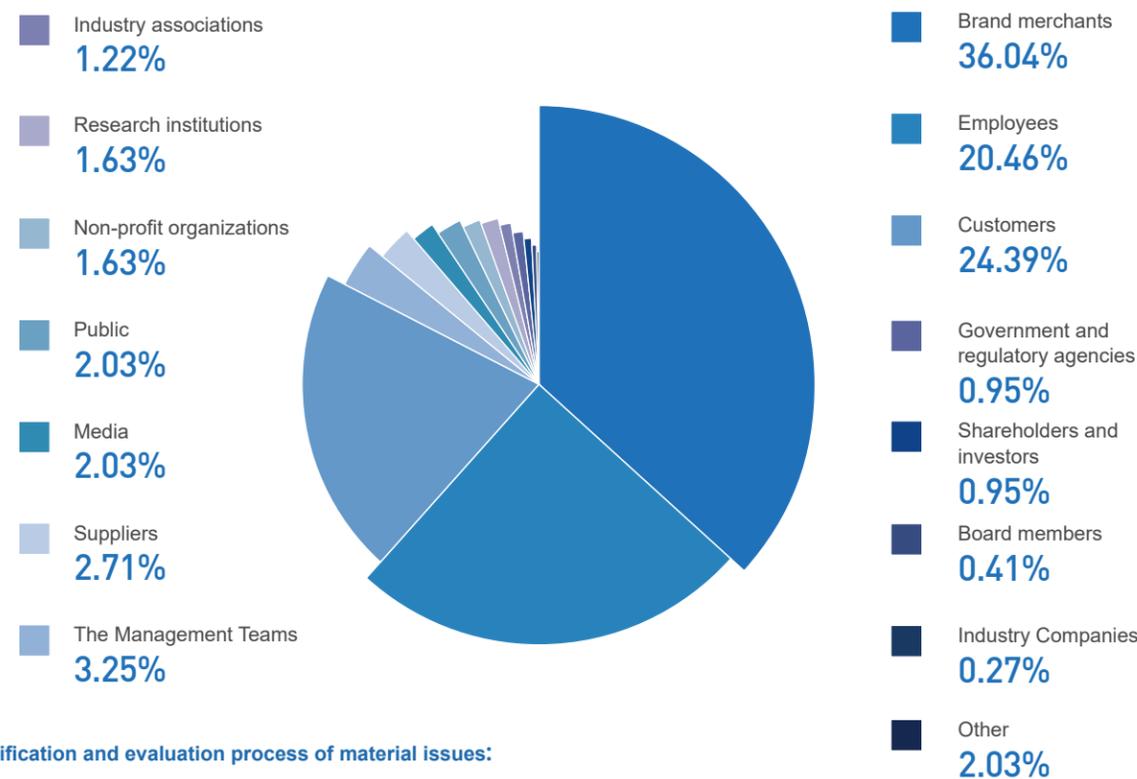


Stakeholders	Communication approach	Expectations and requirements	Our response
Governments	Regulatory Inspection Project Collaboration Meeting Communication	Responding to National Policies Supporting Economic Development	<ul style="list-style-type: none"> Actively implement national policies, comply with regulations, provide more job opportunities, pay taxes on time, and participate in charitable activities. Drive development with a dual focus on "residential and commercial" sectors and actively explore and implement innovative business models such as the "Citilink Xingli "hotel series, "Caring & Sharing" care services, and Starwing Space spaces. Promote urban renewal and collaborative construction, which drives regional economic development and prosperity.
Shareholders	Information Disclosure Shareholder Meetings Investor Relations Activities	Ensure Shareholder Rights and Interests. Improving Corporate Governance	<ul style="list-style-type: none"> Maintaining sustainable profitability, ensuring shareholder returns, holding shareholder meetings, and strengthening shareholder participation. Form a scientific and effective division of responsibilities mechanism to regulate information disclosure and other related matters
Employees	Workers' Representative Union/Trade Union Employee Training Democratic Management Channel Complaints and Feedback	Protecting Employee Rights Smooth Career Pathways Care for Employees with Sincerity	<ul style="list-style-type: none"> Ensuring equal and legal employment, democratic management, protecting basic employee rights, and building a brand image as an employer. Strengthening occupational health and safety management, and promoting occupational health and safety education. Enhancing occupational training and establishing a "dual-channel" occupational development system, among other initiatives. Organizing corporate and trade union cultural activities.
Customer	Customer Relationship Management Customer Satisfaction Survey Customer Visit and Communication	Improving Product Quality Optimizing Customer Experience Delivering Refined Customer Service	<ul style="list-style-type: none"> Perfecting the quality supervision management system to control product quality throughout the process. Providing environmentally friendly and healthy products. Deepening the construction of a smart business to optimize the customer experience. Continuously building a Seazen service system to help upgrade the living experience of our customers.
Partners	Project Cooperation Negotiation Assessment and Investigation Business Communication and Visiting	Keeping Commercial Commitments Improving Transparent Procurement Driving Industry Development	<ul style="list-style-type: none"> Fulfilling economic contracts in accordance with the law and adhering to the principles of fair trade. Establishing a large-scale procurement system, strengthening supplier management, convening supplier conferences, and focusing on supplier training, among other initiatives.
Environment	Environmental Protection Cooperation Participation in Activities	Promoting Residential Industrialization Process Reducing Environmental Impact	<ul style="list-style-type: none"> Exploring and practicing precision-built modular systems. Implementing green construction and fully integrated decoration management, emphasizing green office practices, and implementing cost reduction and efficiency enhancement measures. Strengthening energy management, strictly controlling the three wastes produced during commercial operations, and increasing the degree of resource recycling. Actively responding to climate change risks and opportunities.
Society	Social Responsibility Industry Forums Community Communication Media Communication	Promoting Rural revitalization Practicing Social Welfare Responding to Emergencies	<ul style="list-style-type: none"> Leveraging the advantages and expertise of Seazen's industry, brand, channels, and funds, and precisely connecting with regions with slow economic development to promote rural revitalization. Continuing to carry out the "Colorful Plan Project" brand public welfare projects, covering seven major areas including equal education, children's health, green communities, environmental protection, humanitarian assistance, cultural projects, and sports. Actively responding to sudden epidemics and contributing to epidemic prevention and control with Seazen's strength.

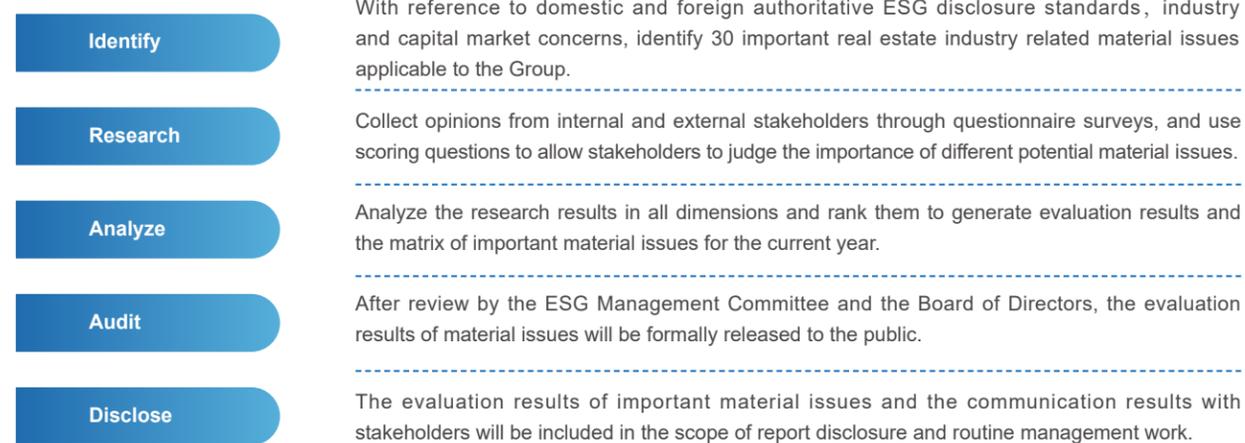
Management of ESG Material Issues

The Group regularly conducts identification and evaluation of ESG material issues. In 2022, based on the company's development situation, the requirements of the Hong Kong Stock Exchange, rating agencies, and the focus of sustainable development in the industry, as well as the expectations and demands of various stakeholders, we conducted a questionnaire survey on material issues in the areas of corporate governance, environmental management, and social responsibility. Based on the survey results, we selected high-priority issues that are closely related to the sustainable development of Seazen and are of concern to stakeholders, as the focus of information disclosure in our 2022 report. A total of 738 valid questionnaires were collected during the reporting period, which formed the matrix of the importance of sustainable development issues.

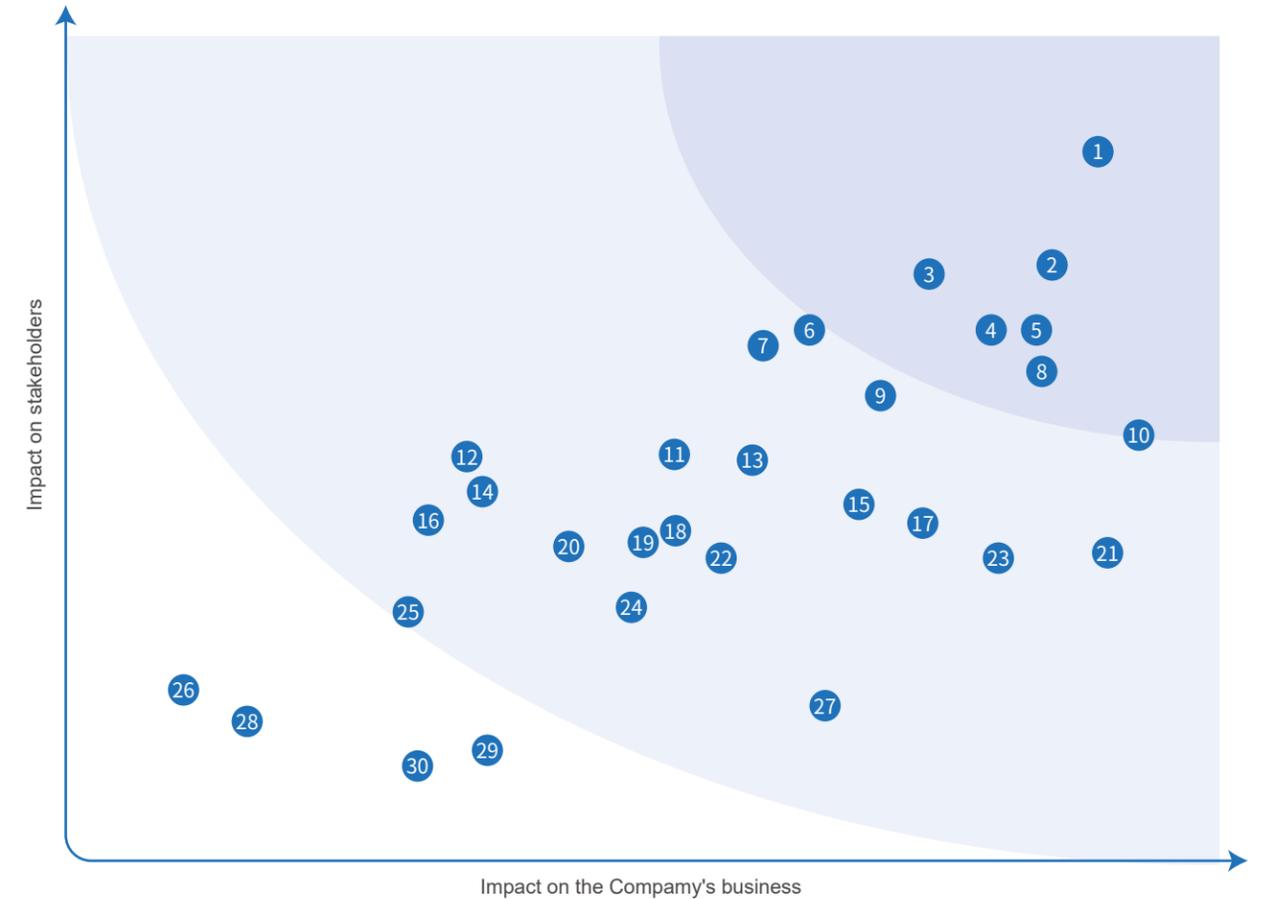
Stakeholder Category



Identification and evaluation process of material issues:



Material Matrix



Category	Material Issues
Environmental	14 Green building design and promotion
	16 Urban renewal and co-construction
	19 Energy and resource conservation
	12 Management of emission
	24 Green operation and office management
	25 Responding to climate change and greenhouse gas emission reduction
Social	26 Biodiversity conservation
	10 Occupational health and safety
	27 Diversity and equal opportunities
	23 Employee training and development
	21 Employment, employee compensation, and rights
	17 Enhancing employee engagement and satisfaction
	4 Product quality management
	3 Customer privacy and information security
	7 Promoting sustainable development impact management for customers and tenants
	1 Customer satisfaction
Governance	11 Green procurement
	13 Responsible supply chain management
	18 Industry communication and cooperation
	20 Urban/community building and development
	28 Philanthropy and charitable contributions
	8 Anti-commercial bribery and anti-corruption
	2 Lawful and compliant operation
	30 Diverse composition of the board of directors
29 ESG governance of the board of directors	
9 Risk management and internal control	
5 Sustainable business model	
6 Stakeholder communication	
22 Intellectual property	
15 Technological innovation and digital development	

02

QUALITY FIRST, CREATING A SUSTAINABLE VALUE CHAIN TOGETHER

Seazen has always regarded quality and service as the foundation of its operation, and has placed the concept of sustainable development in every link of the value chain, always focusing on the needs of customers, and creating diversified products covering all aspects; keeping the mind of quality first and safety first at all times; we strive to provide customers with a solid service guarantee based on their needs and expectations; we will focus on supply chain management, strive to deliver high-quality products and services to customers, improve customer happiness index, and build a harmonious and sustainable value chain.

2.1 STRUCTURE OF DIVERSIFIED ECOLOGY

2.2 STRICTLY CONTROL PRODUCT QUALITY

2.3 CUSTOMER FIRST

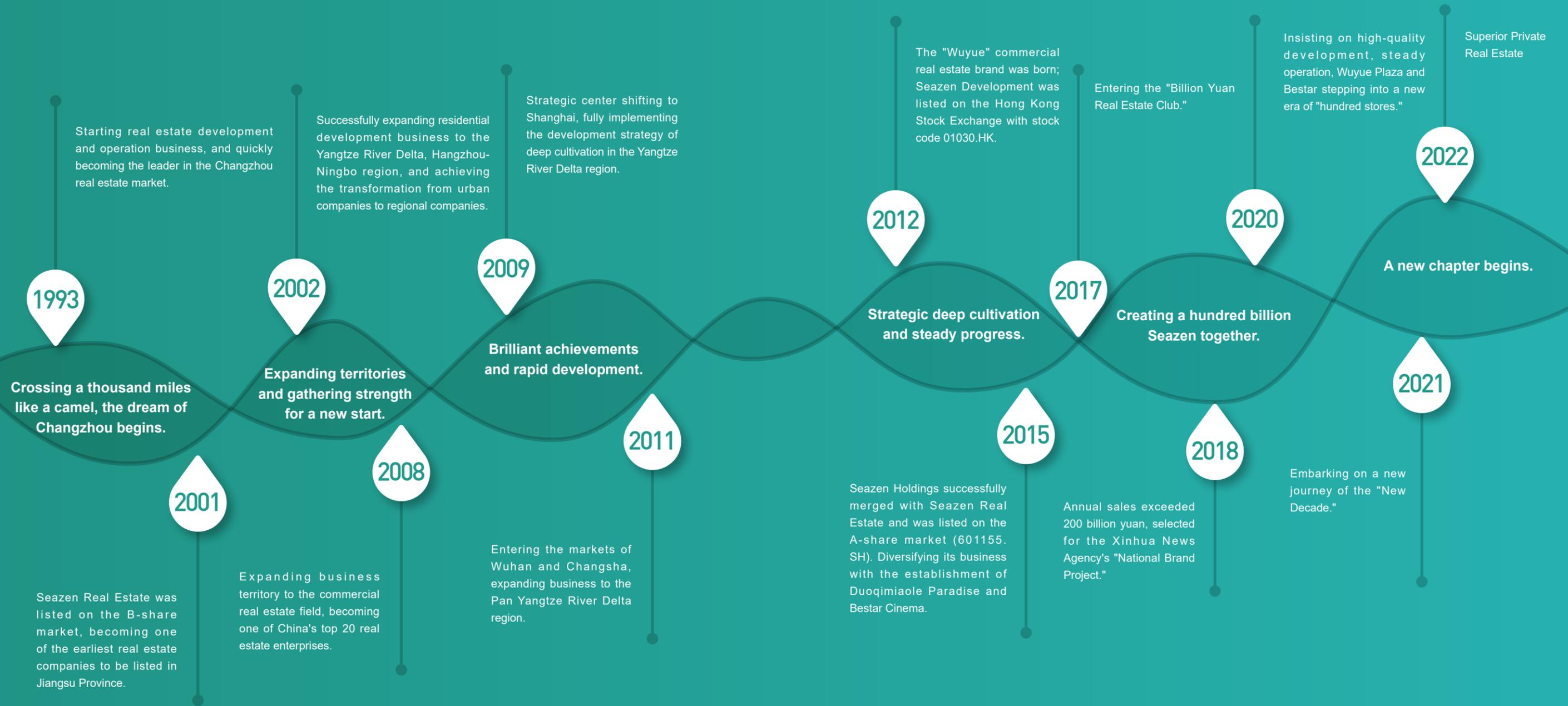
2.4 SUPPLY CHAIN SUSTAINABILITY MANAGEMENT



STRUCTURE OF DIVERSIFIED ECOLOGY

In 2022, Seazen continued to expand its business scope, enriched its product chain, and achieved remarkable results in its diversified layout. By providing high-quality products, it interpreted high-quality and happy life for customers, and actively created an inclusive, green and diversified business model.

Development History



Seazen Diversified Product System

Over the past 29 years, Seazen has been focusing on real estate, consolidating the two-wheel drive strategy of "residential + commercial", developing the happiness industry, creating a better life scene around the needs of customers throughout the whole life cycle, and achieving diversified and coordinated development.



Seazen Residence-Healthy Home

Empowering urban living and upgrading a happy life is the beautiful vision of Seazen as the core unit of China's centennial residential strategy and its technology research and development. On the road to the development and evolution of residential products, Seazen has gradually developed from a single building developer to a comprehensive real estate service enterprise with multiple product lines and full life service cycles.

During the Reporting Period, Seazen received a total of 41 awards for residential design projects and 38 awards for commercial design projects.

A healthy environment should not be perfect in the short term, but it is a continuous commitment and a long-lasting building performance that is healthy and transparent. Seazen continues to demonstrate the new experience of healthy living and strives to create a green and livable new residence.

Case

Residential project in Jiangsu Region was awarded the Green Building Operation Label

In 2022, Changzhou Seazen Jiuxi Garden, Changzhou Seazen Yuehua Mingyuan and Changzhou Seazen Yujun Garden became the first batch of projects that obtained the Green Building Operation Labels in Jiangsu Region under the Real Estate Development Department of Seazen Holdings, a subsidiary of the Group. The three projects are designed around the dimensions of "green and low-carbon design", "low-impact ecological development", "green and healthy materials", "comfortable technology application", "intelligent system" and "human health service". The three projects are built in accordance with the requirements of green building standards in terms of building energy performance and water-saving performance, full life-cycle material selection and material saving, indoor and outdoor environmental control and operation management, so that green and healthy residential areas can be realized from the blueprint.



Certificate of Green Building Operation Label

Xinchao Apartments-Affordable Housing

Seazen has long been committed to solving people's livelihood problems such as housing difficulties. Through the launch of "Xinchao Apartment", an apartment brand with high-quality accommodation service experience and multiple facilities, it provides affordable residential products for the local area, effectively ensuring the social housing needs and improving people's livelihood and well-being.

Wuyue Plaza – Seazen Commercial Landmark

Seazen continues to explore more possibilities in the business world. As a representative of experiential commerce, Wuyue Plaza breaks the traditional format planning and layout, adheres to the principle of "one city, one policy", and uses insightful emotional understanding to absorb the cultural essence of different cities. It creates a commercial space that is empathetic, satisfying consumers' growing consumption demands with creative activities. Meanwhile, Seazen continues to focus on the deep operation and service of commercial brands, participating in brand management through resource integration and cooperative marketing, constantly constructing new brand connotations, and shaping a brand-new "Wuyue".

During the reporting period, the number of Wuyue Plaza's that have been opened by Seazen has reached 145, ranking first among listed companies at mainland and overseas.



The Muyang Wuyue Plaza incorporates the urban impression of a "flower and tree town" into its space, creating a green, ecological, and leisurely tone.



The Ankang Wuyue Plaza adopts an innovative double first-floor design, releasing a "human, emotion, taste, and fun" hedonistic social space with traditional Chinese landscape art. With unique colors and landscapes, the "New National Trend" is sweeping Ankang.



The Yichang Wuyue Plaza creates a landmark-level urban IP, two themed blocks, and three theme parks, providing young people with a joyful and playful experience.



The Chongqing Jiangjin Wuyue Plaza presents an immersive living scene that showcases the blend of nature, warmth, and humanities.



The Nanchang Jinxian Wuyue Plaza creates a natural urban living room for consumers through scenes such as the "Fantasy Theater," "Green Poplar Valley," "Green Firefly Reflection Pool," and "Lin Duan Stroll."

Core Smart Construction – a pioneer in standardization

With the application of modular building technologies such as "Sino-Core Construction", Seazen promotes industrial reform, leads the progress of human settlements, and invests in urban construction from a green and innovative perspective to inject inexhaustible power into sustainable development.



Core Smart Construction Modular Building

Seazen Hotel – Embarking on a Journey of 5-Star Excellence

Seazen has entered the hotel industry with its self-owned brand, creating a comprehensive planning, design, construction, operation, and management system. Located in Kunming, Yunnan province, the "Xing Li Lan" hotel is dedicated to providing distinguished guests who pursue a quality lifestyle with diverse products that meet their needs and comprehensive services that create a luxurious sense of living.



Xing Li Lan hotel

Seazen Cinema – Expanding Unseen Horizons

As a product of the group's entertainment consumerism, Bestar Cinema is committed to creating a new generation of super dreamy cinemas that combine film screening, interactive entertainment, art and culture, amusement experiences, and unique dining. It meets the multidimensional consumer needs of customers. Bestar Cinema is positioned as high-end and innovative. The Chengdu Bestar Cinema is themed on automobiles, the Haikou Bestar Cinema is based on the style of a movie factory blue screen, and the Nanchang Bestar Cinema is built around environmental protection concepts. Each cinema will be the most distinctive themed cinema in the local area, allowing movie-goers to truly experience the grandeur and beauty of cinema.

Happiness and Health Care

"Caring & Sharing," a health and wellness brand created in the Seazen, upholds the brand concept of "nourishing vitality with happiness" and is dedicated to delivering happiness through service, nurturing life with happiness, and promoting the development of the health and wellness industry, while building a comprehensive high-end health and wellness complex in the city.



Healthcare Brand

Kids Entertainment – Creating a New Model of Mutual Benefit

Duo Qimiao Children's Growth Paradise is committed to promoting healthy growth in children's intelligence, physical fitness, and psychological ability. The Duo Qimiao Children's Growth Paradise targets the six core skills of children's growth in the 21st century, and provides services for children such as talent excavation, sensory optimization, physical and mental development, interest cultivation, and more through a chain business model.

Incubation Space - Creating a New Win-Win Model

Seazen is currently working on building its top domestic incubator, Starwing Space, which aims to establish a comprehensive operating system with a focus on smart management, entrepreneurial activities, entrepreneurial services, and brand export. Its ultimate goal is to provide cost-effective business premises for budding entrepreneurs, creating a mutually beneficial cooperation system, and generating a dual-core driving force that enables both horizontal and vertical expansion.



Star Wing Space

Development of Renewable Energy

Seazen is seizing the strategic layout of renewable energy business and actively exploring new development models. Wusheng (Shanghai) Energy Equipment Technology Co., Ltd. (hereinafter referred to as "Wusheng Energy"), which has been quietly cultivating for more than two years, has already burst into opportunities, focusing on three core businesses of integrated energy services, renewable energy generation, and Wuxing Yuchong. As a carbon energy management service provider on the energy consumption side, it has injected green energy into more than 100 commercial complexes nationwide and implemented energy-saving renovations, demonstrating Seazen's green and low-carbon development strategy through practical actions.

STRICTLY CONTROL PRODUCT QUALITY

Seazen strictly controls product quality and conducts full-cycle control of product and service quality through institutionalized measures.

Quality Management System

To further improve product and construction quality and provide customers with a good and reassuring product experience, the Group always adheres to relevant laws and regulations such as the "Building Law of the People's Republic of China," "Regulations on Quality Management of Construction Projects," and "Regulations on the Management of Urban Real Estate Development and Operation" during construction operations. We take various control measures to strengthen engineering nodes, improve construction management quality, and have established guiding documents for quality control within the company to ensure basic system guarantees.

Manage by system

The group has established a set of comprehensive management policies and guidelines for the development of its projects. This includes over 20 operational guidelines such as the Development Sector Project Management Measures (2022 version), Construction Planning Guidelines, Quality and Safety Management Guidelines, Mandatory Construction Practices Guidelines, and Model Management Guidelines. These guidelines cover the entire project cycle from initial planning to delivery, and are aimed at ensuring the quality of the projects is maintained at every stage. Through the implementation of these policies, the group aims to establish a strong and effective system for managing its development projects.

Manage by examination

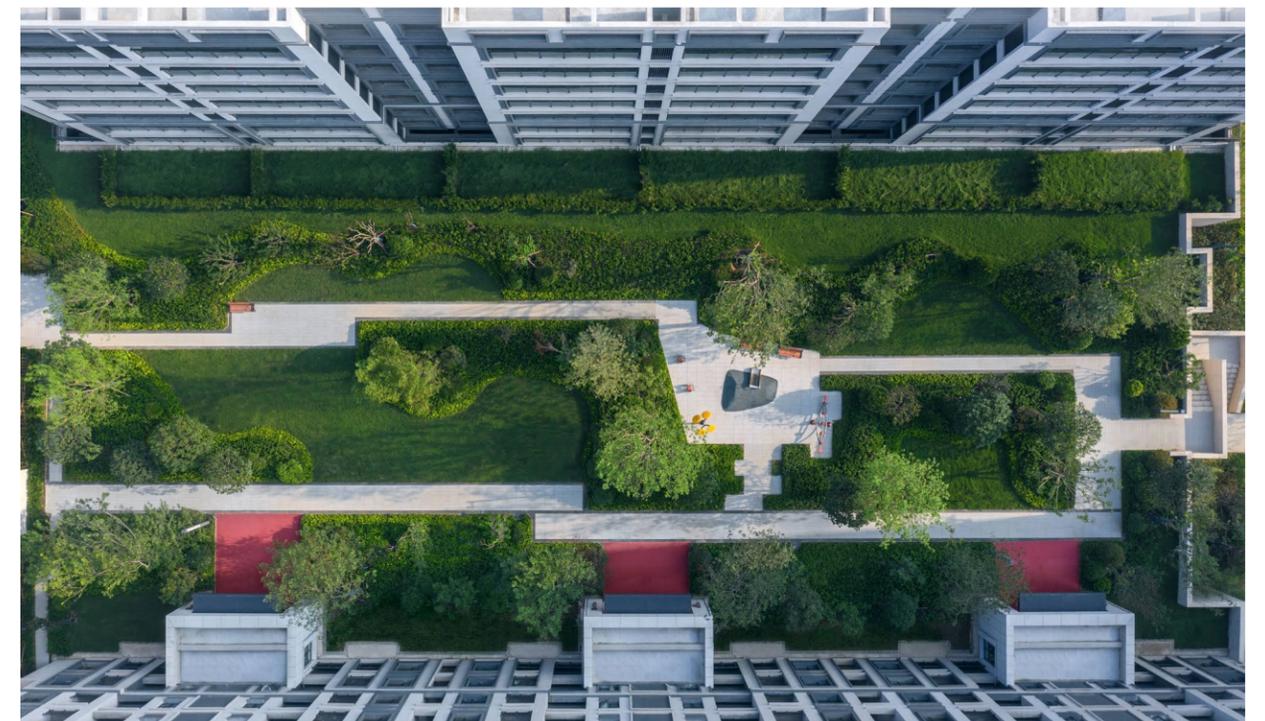
The optimized quality system also introduces a comprehensive assessment system, which includes monthly project performance reviews, responsibility rewards and penalties, and supplier punishments. It implements a lifelong responsibility system for construction quality and links quality and safety with the performance of every relevant person, fundamentally promoting the continuous improvement of product quality.

Manage by Evaluation

The evaluation and management system is strengthened through the use of third-party inspections and assessments. Various assessments, including flight inspections, delivery assessments, special inspections for underground foundation pits, large mechanical equipment, exterior insulation, and model delivery inspections are carried out to evaluate the effectiveness of project management. The results are tracked and followed up to identify and eliminate project management risks. In addition, the results of third-party inspections are combined with real customer feedback to continuously upgrade and iterate the dimensions, content, and standards of inspections, thereby promoting the continuous improvement of quality.

In 2022, Seazen comprehensively optimized the quality and safety management system of the commercial development business, formulated a deep-level system upgrading strategy, established a special team for quality management, and implemented integrated special measures such as vertical management and control, full-staff management and control, supervision and early warning, risk correction, and closed-loop rectification of project quality and safety process. The Group has also implemented responsibilities at all levels by issuing documents such as the 2022 Measures for Construction Management of Commercial Development Department, the 2022 Guidelines for Quality and Safety Operation of Commercial Development Department and the Manual for Cases of Major Design Defects to ensure the stable operation of the quality and safety management mechanism. During the Reporting Period, a number of Wuyue Plaza Plaza projects successfully passed the ISO9001: 2015 quality management system certification.

To ensure the quality of purchased products, we have established a sound material quality management system and entered into strategic cooperation with a number of authoritative third-party testing institutions in China. Through product sampling and testing and factory quality system review, we have achieved material quality control throughout the entire process from the source of the factory to the project site. During the Reporting Period, we carried out comprehensive quality control on 663 suppliers of 73 types of materials, and arranged sample testing on the Group's projects under construction on a monthly basis. A total of over 2,000 batches of sampling inspections were delivered. Unqualified issues were strictly investigated and rectified, which greatly improved the delivery quality of projects under construction from the material end.



Quality Supervision and Inspection Mechanism

Seazen takes a comprehensive approach to overseeing every stage of their construction projects, from the initial process to the final delivery. The company has implemented a lifelong responsibility system that emphasizes the quality of their construction projects. This system establishes five key responsibilities: survey, design, supervision, construction, and construction. By ensuring that all aspects of their projects are carefully monitored, Seazen is committed to maintaining high standards of quality. To ensure that these standards are upheld, Seazen includes the inspection and evaluation of engineering functions and project departments of regional companies as part of their assessment and evaluation process. The results of these evaluations are linked to the performance of employees, minimizing the risks associated with poor quality. During the Reporting Period, Seazen opened 100 pre-delivery construction sites, providing customers with a comfortable and enjoyable experience. By prioritizing quality and customer satisfaction, Seazen has established themselves as a reliable and trusted provider of construction services.

During the Reporting Period,
Seazen opened **100**
pre-delivery construction sites

Process Quality Management Process:

Construction control

Strictly comply with the requirements of the *Development Plate Engineering Management Measures (2022 Edition)*, adopt various control measures to strengthen the engineering nodes, and improve the quality of construction management.

Actual measurement

The construction unit, supervision unit, and party A engineer carry out actual measurement work (the construction unit conducts **100%** self-inspection, the supervision unit conducts **50%** spot check, and the party A engineer conducts **30%** spot check). Based on the analysis of the actual measurement data and the reasons for the deviation, evaluate whether there are systematic problems and propose rectification and preventive measures. The qualified rate of actual measurement is one of the important dimensions of project quality inspection and assessment by the Group.

Establishment of stop check points

For key acceptance nodes involving leakage, such as basement pour strip, external wall screw hole sealing, kitchen and bathroom water closure, window sealing, and roof, a "leakage prevention special inspection" is conducted. If the inspection fails, rectification is required before entering the next process.

Quality and safety gate pulling mechanism

Pay close attention to project quality and safety issues. If problems are found, immediately carry out "lockdown warnings", suspend local work for rectification. During the reporting period, Seazen Safety and Civilization Inspection has suspended work **12** times, and large-scale machinery inspection has suspended work **42** times, to timely ensure the elimination of quality and safety hazards of the project.

Third-party flight inspection

Hire a third-party evaluation agency to conduct third-party flight inspection and pre-delivery inspection of the entire project construction process. The inspection results are reported to the entire Group and rewards and punishments are given. The inspection results are directly linked to supplier ratings and the promotion of party A management personnel.

Delivery Quality Management Process:

Delivery inspection assessment

A delivery inspection and assessment team consisting of joint operations, property management, product development, and third-party representatives is formed. In accordance with the *Delivery Pre-Assessment Guidelines*, a comprehensive assessment of all products is conducted 15 days prior to formal delivery, ensuring high-quality delivery of areas such as indoor and public spaces, landscaping, facades, basements, power and lighting. As of the end of 2022, the delivery assessment score was 80.41, and the actual qualification rate was 94.61%.

Product Quality and Safety Incident Reporting Mechanism Process

Category	Time Requirement	
	Major and above quality and safety incidents/events	General quality and safety incidents/events
Report by phone (or message)	2 hours	2 hours
Report by email	24 hours	24 hours
Report to final department	Office of the CEO, regional companies, Real Estate Development Department management center	Regional companies, Real Estate Development Department management center.

Quality data related to residential development stage

Indicators	Unit	2020	2021	2022
Project process assessment	score	91.78	91.17	90.32
Project delivery assessment	score	81.23	81.07	80.41
Special safety inspection	score	82.98	81.66	81.76

Note: The above statistics only include relevant data of the residential development stage of the residential development division.

Quality related data during the development stage of commercial complex

Indicators	Unit	2020	2021	2022
Project process assessment	score	84.81	87.11	85.44
Project delivery assessment	score	86.83	80.28	77.32
Special safety inspection	times	173	156	154
Monthly quality and safety assessment and inspection	times	229	164	160
Identified quality and safety issues/hidden dangers	item	12,054	7,901	7,786

Note: The above statistics only include relevant data of the project development stage of the Commercial Development Division; Process evaluation and delivery evaluation Source from third-party evaluation data³ The special safety inspection, Monthly quality and safety assessment and inspection, and discovery of quality and safety issues/hidden dangers only include the implementation data of the Commercial Development Quality supervision Center, and do not include the data organized by each region, city and project company during the Period.

Quality-related data during the operation and management phase of commercial complexes

Indicators	Unit	2020	2021	2022
Special safety assessment	score	94.06	95.81	89.2
Special safety inspection	times	23	54	24
Monthly quality and safety assessment and inspection	times	125	189	118
Identified quality and safety issues/hidden dangers	item	3,418	12,038	9,305

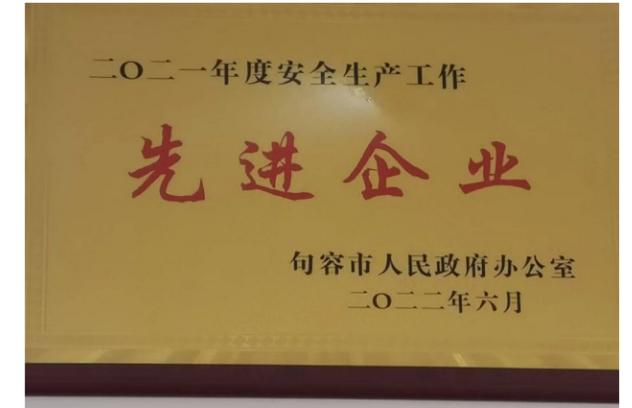
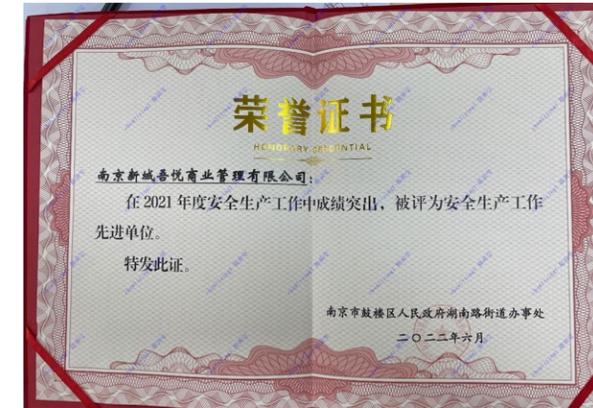
Note: The above statistics only include relevant data of the operation and management stage of commercial complexes, and exclude relevant data of the development stage of commercial complexes.

Ensuring Operation Safety

Safety responsibility is the highly important. Seazen has always carried out safety protection work from the aspects of production safety, fire safety and commercial safety to provide customers and employees with a safe living and working environment. The Group continuously strengthens the management of emergencies to ensure that emergencies are reported and responded effectively in a timely manner, so as to prevent and reduce emergencies and their losses and impacts to the maximum extent. In 2022, the Group formulated the Standards for the Reporting of Emergencies, which clarified the time limit requirements and penalties for the reporting of emergencies, the reporting process and the relevant responsibility structure, so as to coordinate and control and prevent accidents.

³ Shanghai Pingda Construction Engineering Management Consulting Co., LTD., Shenzhen Ruijie Engineering Consulting Co., LTD.

During the reporting period, a number of the Group's companies and individuals were awarded the titles of Advanced Unit of Production Safety, Advanced Collective of Social Work and Advanced Individual.



Awarded the 2021 Advanced Unit for Work Safety and 2021 Advanced Enterprise for Work Safety

Safety Awareness Building

At the same time, in order to enhance the overall awareness of quality and safety control, the Group organized various quality training work such as special training for major business areas, special training for quality and safety management systems and management weaknesses, and strengthened quality control and safety awareness. During the Year, a total of 36 quality and safety training sessions were conducted, with a total of 14,400 participants and a total of 60.5 hours.

Promoting Intelligent Innovation

In line with the Group's informatization strategy, Seazen is proactively exploring the "Internet +" management model to enhance the quality and safety management of construction projects and improve market operations by leveraging advanced information technologies. Seazen is actively promoting information sharing and business collaboration to increase regulatory efficiency, management levels, and decision-making capabilities. Moreover, Seazen is steadily advancing the digitalization and intelligence of its construction and operation activities. Seazen is achieving these objectives by implementing smart and innovative solutions across various areas such as travel, security, commerce, property services, linkage and control, environment setting, and health management. These solutions empower Seazen with cutting-edge technologies that enable innovative, smart, and refined business management. In the current year, Wuhan Caidian Wuyue Plaza and Tianjin Baodi Wuyue Plaza received three-star certification for smart buildings, which highlights Seazen's continued dedication to digital transformation and innovation.



Three-star certification for smart buildings of Wuhan Caidian Wuyue Plaza and Tianjin Baodi Wuyue Plaza

Intelligent Application Empowerment

Seazen actively promotes the application of BIM technology in all aspects including construction safety management, construction quality management, green construction and personnel management, so as to minimize construction costs and achieve refined project management and integrated operation of enterprises.

Case Application of BIM Technology

Seazen has actively promoted the application of BIM technology in various processes of project construction to achieve refined project management. The BIM + integrated pilot project in Yibin Wuyue Plaza in Sichuan has achieved full-cycle site layout and precise and dynamic planning of complex sites. Through the integrated operation of survey, design and construction in the construction, the amount of earth, rock excavation and backfilling can be reduced to the greatest extent to achieve land protection. At the same time, the BIM + smart construction site data decision-making system effectively collected real-time wind speed, temperature and other construction condition parameters, and set automatic dust reduction threshold and sprinkler equipment to effectively reduce construction pollution and bring the construction project to a higher level.



BIM + Intelligent Site Data Decision Making System

Case Intelligent Control of Cold Station

In 2022, Seazen completed the pilot of intelligent control service for the cold station of several Wuyue Plazas, which significantly improved the indoor environmental quality and energy saving effect. This creative digital intelligent application uses IOT data + AI algorithm to build a cold station operation model, combining outdoor weather forecast data and indoor temperature data to realize intelligent prediction of cold station operation, providing optimal strategic solutions for project cold station operation, which can greatly reduce the difficulty and professional threshold of cold station management, and reduce the energy consumption of cold station on the premise of ensuring indoor temperature control meets the control goal.



Intelligent Operation

Based on the long-term exploration of digital technology, Seazen has built a variety of commercial digital ecological platforms to accurately empower brand merchants while improving customer consumption experience, and further improve the operation and management level of the entire shopping mall. While improving the level of intelligence, Seazen also took practical incentive and innovation measures to build an innovation platform, carry out innovative business, realize intelligent management and improve synergy efficiency.

Case "New Cloud Intelligent Management System"

The "New Cloud Intelligent Management System" is an integrated smart operation and management platform integrating 13 smart device systems. The system is equipped with energy consumption measurement functions, which can collect real-time data on various types of energy consumption such as project water, electricity and heating. At the same time, the system can monitor carbon monoxide and carbon dioxide emissions, and coordinate with exhaust air and fresh air equipment to effectively improve indoor air quality. Through the full utilization of the system, the objectives of "improving management efficiency", "expanding management scope, reducing management costs" and "ensuring project operation quality" were achieved.

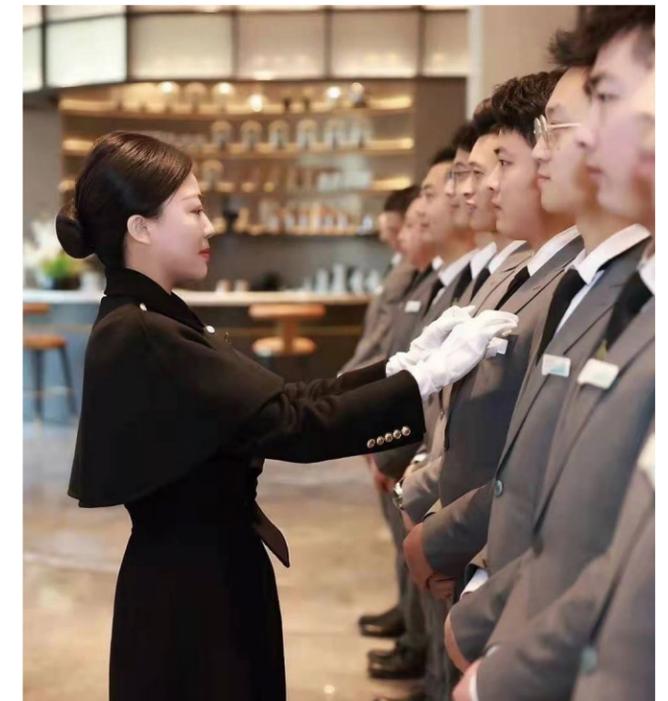


Interface of New Cloud Management Platform

Creating a culture of innovation

The Group gives full play to the advantages of talents and makes use of sufficient practical experience to carry out in-depth research in aspects such as vertical innovation, space optimization, technological innovation and energy-saving materials, so as to provide innovation driving force for the development of Seazen. During the Reporting Period, Seazen released the Guidelines for Business Management Department Innovation Business, aiming to promote the innovation of the operation business and commercial space content of the Plaza and realize the asset value enhancement of Wuyue Plaza. The guidelines distinguish the scope of innovative business management, clarify the division of functions and process requirements for innovative business management, and help standardize management, thus forming a unique operating highlight of the Plaza.

To further create a good innovation atmosphere, in 2022, Seazen carried out a special project of "innovative space value", and built the influence of Wuyue Plaza in the field of commercial real estate by continuously exploring the scope of innovative space services, enriching business content, and accumulating long-term business advantages. The "Value of Innovative Space" project requires each region to hold no less than three training sessions and one salon discussion activity every year to fully mobilize the innovative thinking of front-line units.



CUSTOMER FIRST

We always focus on the needs of customers and protect the basic rights and interests of customers with the concept of responsible marketing. Through a comprehensive customer service system and happiness experience projects, we provide customers with various high-quality services in a meticulous manner to help improve both service capabilities and customer satisfaction.

Safeguard the Rights and Interests of Customers

Strengthening Responsible Marketing

In terms of product marketing, the Group is committed to complying with all relevant laws and regulations, including *the Advertising Law of the People's Republic of China and the Administrative Measures for the Sale of Commodity Buildings*. To ensure the fairness, justice, science, accuracy, and objectivity of marketing advertisements, the Group has established responsible marketing policies, such as *the Operational Guidelines for Risk Control of Sales Advertisement and the Measures for Risk Inspection before Project Opening*. Seazen has implemented a rigorous Delivery Management System for housing delivery. All marketing materials, such as product introductions, are strictly in line with *the Administrative Regulations on Risk Prevention and Control*, and the Group has set out detailed requirements and guidelines for responsible marketing in system documents such as the *Sunshine Publicity Display Specification and the Publicity Material Display Specification*. By adhering to these policies and guidelines, Seazen is dedicated to ensuring that its marketing efforts are transparent, compliant, and responsible. The Group's commitment to responsible marketing practices helps to strengthen its reputation and build trust with customers and stakeholders.



Seazen also actively carried out audit reviews on responsible marketing system. In 2022, the third-party professional institution⁴ conducted special audit and supervision on compliance marketing for responsible marketing of Seazen, and conducted mystery customer visits and inspections on all projects other than the remaining units on a quarterly basis.

⁴ Beijing Saiwei Consulting Co., Ltd.

Focus on responsibility awareness training

Seazen regularly conducts responsible marketing awareness training and special courses for **100%** of employees,

Seazen integrates relevant training materials into the Company's internal network college to form a responsible marketing training system covering **100%** of employees, so as to urge employees to strengthen fair marketing awareness, and conduct honest marketing with a responsible attitude towards customers.

Privacy Protection

Seazen is well aware of the importance of information security. Based on the *Cybersecurity Law of the People's Republic of China* and the *Personal Privacy Protection Law of the People's Republic of China*, it has formulated information and privacy protection measures including the Confidentiality Management System and the Code of Conduct for Employees' Duties, requiring strict confidentiality of customer information and data collected in the course of business, and not to divulge them at will to effectively protect customer privacy. Seazen also regularly reviews the effectiveness of ISO27001 information security standardization certification, and has passed the British Standards Institution (BSI) evaluation with "zero non-compliance" for four consecutive years to avoid information security risks.

In terms of organizational management, Seazen has established an information security management committee and an emergency response team, which are coordinated and managed by the Group's senior vice president, to implement efficient information security management in terms of company security management, identity authentication, access control, and information asset protection.

Information Security Protection Measures

- 01 The technical department ensures the integrity of the data transmission and storage process by means of algorithm encryption, log keeping, Hashrate verification, etc.
- 02 We protect sensitive fonts through dynamic and static desensitization technology, and conduct traceability management through page water printing technology.
- 03 Regularly organize information security awareness and technical training to improve the information security awareness and basic skills of all employees of the Company.

Optimizing Customer Experience

Customer Service System

Seazen prioritizes customer experience and is committed to enhancing customer satisfaction by providing excellent services. Seazen focuses on five dimensions of customer needs, including satisfaction, security, trust, experience, and sense of belonging, and implements the 5+N Happiness Standard, which includes 60 service actions throughout the entire cycle of choosing a property, signing a contract, waiting, delivery, and move-in.

As a major brand of Seazen, the "Happiness Experience Project" integrates high-quality experiential scenes and presents real-life spaces, community interactions, commercial experiences, and diverse services. In response to the constantly evolving consumer mindset, commercial products need to establish a deep connection with customers. In the second year of the "Happiness Project," Seazen continues to expand its commercial footprint and create new service standards. In 2022, Seazen launched the "2022 Seazen Renewal Plan" based on the "Happiness 360° Service System 3.0" to enhance its services. Seazen aims to create a new blueprint for happiness from three dimensions: space renewal, service upgrades, and interest communities. Seazen also integrates group systems and policies such as the *Customer Satisfaction and Complaint Management Measures* and *Customer Service System Operation and Management Measures* to collect and handle customer feedback, and strives to use the 5+N Happiness Standard as a service standard to provide each customer with a warm and satisfying experience.



Happiness Experience Project

As a brand IP built by Seazen, the "Happiness Experience Project" integrates the high-quality experience scenarios under Seazen, and truly presents the living space, community interaction, commercial experience and diversified business services created by Seazen. Commercial products also need to create a deep connection with consumers as consumption concepts continue to evolve. To this end, in the second year of the "Happiness Experience Project", Seazen continued to make efforts in its business layout and created a new benchmark for high-quality services.



Happiness Experience Project – Commercial – Nanjing Jianye Wuyue Plaza

Nanjing Jianye Wuyue Plaza with a GFA of over 360,000 m² represents the iterative upgrade of Wuyue Plaza Plaza in the new era. Based on the characteristics of urban culture and location, the project not only improves the vitality of urban consumption, but also explores the city and links the emotions, and continues to bring different sensory experience to the quality customer groups focusing on experience and scenario consumption and the new generation of consumer groups. In addition, Nanjing Jianye Wuyue Plaza has also created an innovative link for automobile consumption and services, built a technology-driven and young lifestyle scene for the public, and created a complementary effect with other business brands, so that consumers can enjoy a one-stop car purchase service experience in Jianye Wuyue, further improving consumer satisfaction, and presenting a shopping mall concept with the goal of "lifestyle consumption".



Nanjing Jianye Wuyue Plaza

Happiness Experience Project – Heart City – Yantai Zhifu Wuyue Plaza

In December 2022, the dual happiness experience project integrating residential and commercial properties went to Zhifu Wuyue Plaza in Yantai to visit Seazen's first pilot complex benchmark project of "Heart City". Seazen is committed to creating a commercial and residential complex that makes people feel at heart. To this end, Seazen has officially launched a new product system, namely "Heart-to-Heart City", which comprises the unique Wuyue Plaza + Wuyue Block + Wuxin Residential Zone of Seazen, with warmth, ingenuity and integration as the core of product values, and with the characteristic product value proposition of "Heart-to-Heart", "Heart-to-Heart" and "Integration-to-Heart". In the commercial space of Heart City, Seazen integrates the concept of excellent quality, sharing and diversity, and people-oriented, and presents five practical and vivid happiness experience scenarios through "central control SAP smart site display", "on-site safety standardization experience", "construction process display experience", "on-site cultural perception experience" and "humanistic care emotional experience".



Yantai Zhifu Wuyue Plaza

Improving Service Quality

Seazen 4008 Service Center and Orange APP play an important role as an important tool for Seazen to improve service standards. Seazen's customer service system provides property owners with more diversified, faster and more guaranteed multi-scenario life services through "online + offline" integrated services, and is committed to bringing better experience to every customer. At the same time, the platform can respond quickly and efficiently to customer complaints, repair requests and other matters, which is a witness of Seazen's digital empowerment and considerate services. During the Reporting Period, Seazen revised the Administrative Measures for Customer Risk Prevention and Control of the Real Estate Development Department, the Administrative Measures for After-sales Maintenance of Properties of the Real Estate Development Department, the Administrative Measures for Operation of 4008 Customer Service System of Seazen Holdings and other management standards, and effectively improved customer satisfaction through the improvement of the full-cycle risk control system and service quality control system of projects.

Seazen conducts regular customer satisfaction surveys to measure their satisfaction with the products and services. The surveys cover ten key indicators such as sales service, contract communication, delivery, housing quality, maintenance service, housing design, community landscape, overall planning and environment, property service, and complaint service. The results of the surveys help Seazen to understand customer satisfaction at every key experience point, including subscription, contract signing, and occupancy. To further improve the level of consumer service, Seazen established a special team for the "Happiness Promotion and Maintenance Action" in 2022. The team uses problem sorting, program research, pilot implementation, and other methods to polish and upgrade the service system and standards of Seazen comprehensively.



Seazen 4008 Service Center



Orange APP

Customer Satisfaction Survey Results for 2022

2022

The response and reply rates for inquiries, complaints, and repairs related to products and services on the platform reached

100%

the success rate for resolving customer complaints reached

96%

Regarding the satisfaction survey for residential and commercial customers, as of the end of 2022, 70,273 questionnaires have been collected, and the satisfaction score of real estate development, business customer and commercial merchant reached 74, 83 and 77 respectively. As for commercial customers, our group launched a satisfaction survey for property management in the second half of 2021. Through customer satisfaction research, we have been able to understand the overall operational management level, evaluate and discover customer experiences and needs, and focus on improving and enhancing product and service capabilities.

Responding to Customer Complaints

Seazen provides high-quality, all-around services for customers throughout the entire pre-sale and after-sale process. After project delivery, a housing repair center and team of engineers were established to provide maintenance services to customers. We also hold regular "Happy Home" housing maintenance events to provide value-added services to customers. In addition, we have established a defect feedback mechanism, regularly collecting and organizing typical design and quality defect problems that customers encounter after moving in, creating a defect case library and feedback to the design and construction front end to improve from the source.

"Proactively listening" to Customers

"Proactively listening to customer feedback" has become a regular practice for Seazen. As of the end of 2022, senior executives from various districts of Seazen have visited more than 2,000 households. Through various forms such as customer forums, home visits, and follow-up visits, we engage with customers in a sincere and professional manner to answer questions, build a communication platform with customers, and understand their needs and expectations. By doing so, we provide clear guidance on product and service improvements and enhance the overall living experience.



This report focuses on the customer forum held in the North China region

During the Reporting Period, we improved our customer service capabilities through a combination of online and offline channels to empower our customer service team. Seazen has carried out a series of service courses, including "understanding customer needs", "user journey chart" and "service blueprint design", to improve and optimize customer service capabilities, and truly implement the core concept of "user-centric". During the Reporting Period, a total of 54 employees participated in customer service ability training.



Ensure Whole-process Quality Delivery

To provide property owners with peace of mind, Seazen empowers quality delivery with the Happy 360° customer service system. In 2022, we achieved 241 batches of delivery in 10 regions, and 131,000 new homes are behind the Seazen's determination on delivery.

Before Delivery

Seazen provides convenient services and experiences such as "Home Growth Files," real-time customer notifications, live broadcasts from construction sites, and open house events.



During Delivery

During the delivery process, Seazen provides one-on-one signing of the occupancy agreement and a full inspection of the house to accompany the owner and make them feel at ease. During the inspection process, if there are any minor issues, Seazen's professional team will immediately provide "fast repairs" to meet the owner's expectations.



After Delivery

Seazen sets up dedicated service personnel to follow up on subsequent quality assurance issues; conducts regular special inspections, repairs, and renovations on community facilities, house pipelines, walls, doors and windows, and waterproofing.



Organize Community Activities

For delivered projects, Seazen provides continuous services, tracks property owners' satisfaction and actual living experience, organizes rich community activities, practices commitments, builds warm green and humanistic communities for property owners, and creates a "happy home" carrying love and memory.

Case

Summer of Seazen 2022

In 2022, in order to enrich the summer life of Seazen, Seazen created a "aerospace dream journey" for young people in the largest summer theme customer activity in the "Happy 360°" service system with the theme of exploring aerospace and linking various business forms. During the event, Seazen prepared online courses that were entertaining, and carried out a variety of cultural and sports activities such as painting competitions, city lectures and fun activities to enhance the emotional connection between parents and children, as well as between Seazen and families. During the Reporting Period, a total of **82** offline activities were organized, with over **8,000** families participating.



Renewal Plan

In 2022, based on our insight into customer life, Seazen returned to the original intention of protecting customers' happiness, and the "Renewal Plan" was launched again, covering **80** communities, involving **208** projects and **722** renovation projects. Based on the needs of customers' life, we are committed to improving the activity space, creating a warm community atmosphere, increasing the warm scene of neighbors, and working with a better life.

Space Revitalization

Seazen takes different space requirements as starting points and creates themed public spaces in the community to extend happiness.



Revitalization of the Fitness Track at the Wuyue Huafu Community in Guilin Before and After.



Revitalization of the Garage Entrance at Seazen Jingcheng in Foshan Before and After.

Service Upgrade

Seazen's home maintenance and repair team provides full lifecycle housekeeping and maintenance services, identifying and solving hidden problems and pain points for homeowners in accordance with local conditions.



Localized Services in Different Regions.

Community Building

Seazen organizes a series of rich and colorful community activities, such as the "Warm Spring Sports Season - Public Welfare Hiking Race" and the "I Love You May Fitness Dance," creating a friendly and interactive atmosphere for neighbors to communicate with each other.



SUPPLY CHAIN SUSTAINABILITY MANAGEMENT

Seazen cherishes every supply chain partner and is committed to building a green, sustainable and high-quality supply chain network, continuously improving and standardizing procurement standards and processes, strengthening the synergy with the supply chain ecosystem, and reducing the environmental, social and safety risks of the supply chain.

Responsibility Management System

Seazen adheres to the cooperative philosophy of "standardized management, full competition, fairness and impartiality, and collaborative efficiency." During the reporting period, the internal management documents such as the "Procurement Management Measures," "Cost Management Measures," and "Supplier Inspection and Attention Matters" were revised. The "Supplier Code of Conduct" and "Supplier Management Measures" developed by the group strictly regulate the specific requirements for supplier selection, admission, and evaluation work, comprehensively manage the bidding, production, construction, and delivery stages of suppliers, and integrate sustainable development evaluation indicators into the admission, evaluation, and elimination mechanisms for suppliers. To better ensure a mutually beneficial and win-win cooperation relationship, the company has launched a large-scale procurement model during the reporting period, including marketing, design, engineering, and information suppliers, all of which are included in the large-scale procurement system for unified management. This has achieved the separation of the three powers in the entire business module, making supplier management more transparent and efficient, and the bidding process more fair, open, and impartial.



Supplier Access

Adhering to the principle of transparent and fair cooperation, the Group has clarified the entry requirements for supplier selection criteria with scientific and objective evaluation methods, taking into account the key ESG indicators of suppliers such as corporate reputation, social impact, green procurement, environmental evaluation, energy conservation and emission reduction, and labor protection, and fully considering important factors such as corporate needs, social expectations, and social responsibilities to continuously create a new sustainable supply chain system;



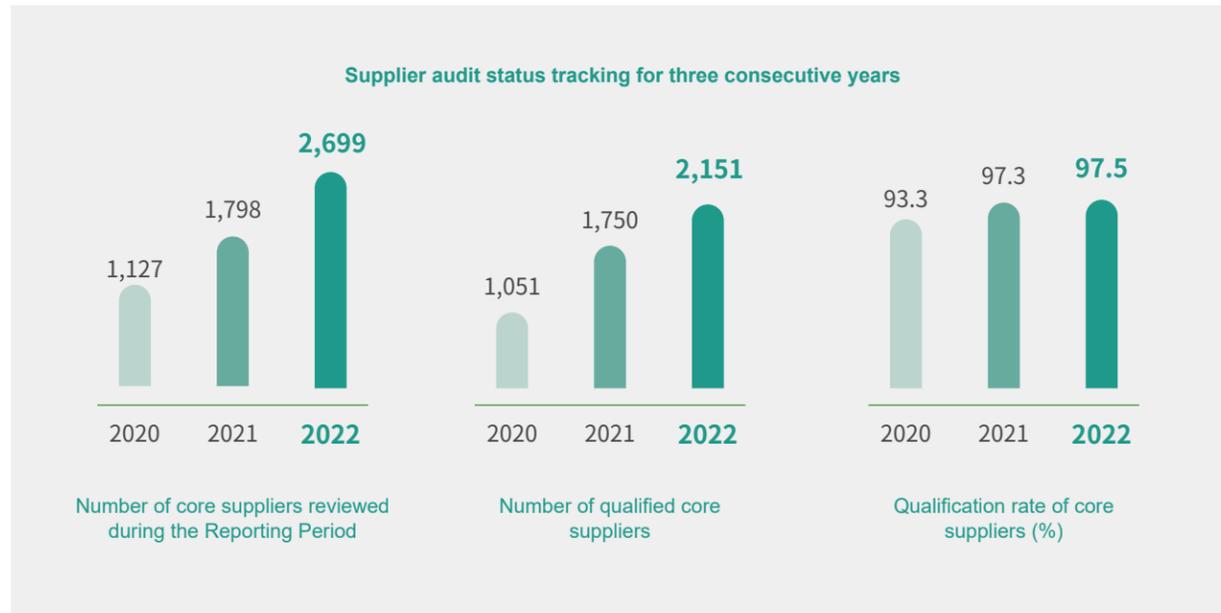
Supplier Assessment

The Group regularly conducts quarterly performance evaluations and annual assessments to manage supplier ratings and develop corresponding reward and punishment measures by dividing them into four categories of A/B/C/D. When evaluating suppliers, we assess their sustainable development performance from multiple perspectives and implement a credit scoring system to enhance the level of supply chain risk management.;



Supplier Elimination

The Group implements a withdrawal mechanism through means such as blacklists, gray lists, and lists of unqualified suppliers. For suppliers who engage in serious practices such as cutting corners and using inferior materials that affect project quality, as well as those who owe worker wages, violate social ethics, violate laws and regulations, and harm the social environment, which do not meet the requirements of Seazen's sustainable supply chain, we will directly identify them as unqualified suppliers and resolutely terminate cooperation.



Supplier Business Ethics

Seazen ensures that suppliers comply with the Group's supply chain management principles of honesty, trustworthiness, integrity, and impartiality. The company prohibits bribery, transfer of benefits, fraud, and other unethical behavior during the supply chain cooperation process. To ensure that suppliers adhere to ethical business practices, Seazen requires them to sign *the Letter of Commitment for Honest Cooperation, the Sunshine Clause, and the Integrity Agreement*, which the Group's suppliers signed 100% of during the reporting period. Seazen also issued a warning letter to all partners about integrity risks and encouraged them to report any dishonest behavior to the Group's audit and supervision center. Partners who demonstrate integrity and pragmatism and assist the company in addressing fraud problems are given priority for cooperation and long-term partnership. Additionally, the company regularly conducts business ethics training for suppliers and requires them to participate in integrity surveys. Seazen advocates that suppliers actively use various public reporting channels to report fraud, bribery, corruption, and other unethical behavior.



Supplier integrity training and seminar

Sunshine Procurement Measures

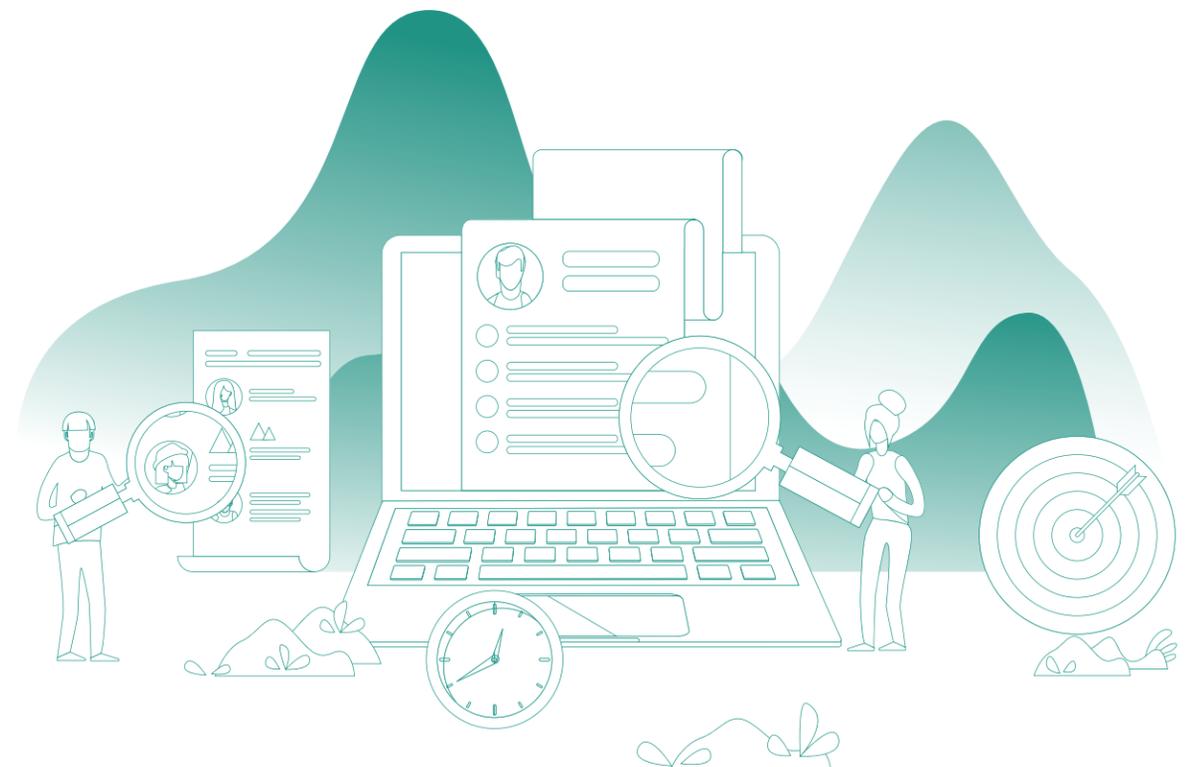
- Fairness and transparency**

Maintaining full transparency in the procurement process, with active cooperation, comprehensive communication, and information sharing among departments. All procurement decisions are made collectively by the bidding team, eliminating any covert operations. The "employee avoidance" principle is implemented, with suppliers requiring real-name recommendations. Except for suppliers introduced through procurement, the first recommender of other suppliers may not serve as a member of the bidding team.
- Integrity clauses**

Complying with integrity-related agreements in communication and cooperation with clients, suppliers, and other business partners, advocating honesty and trustworthiness in business activities.
- Clean and honest cooperation commitment**

Making the *Clean and Honest Cooperation Agreement* an attachment to the business cooperation contract, requiring suppliers to sign the "Clean and Honest Cooperation Commitment," clearly specifying the norms and conflicts of interest of cooperation.
- Information disclosure**

Embedding "sunshine clauses" in various contracts, publicizing reporting phone numbers and supervisory channels. Posting employee prohibited behaviors and complaint reporting channels in public areas of the construction site and the operational Wuyue Plaza, setting up clean and honest concept cards to convey the concept of integrity to customers.



Strictly Control the Quality of Suppliers

Seazen always controls the products of suppliers with high standards. In-depth intervention is carried out from suppliers selection, material extraction and technical exchange to ensure the quality and reliability of the supply chain.

Supplier Selection

Evaluation is conducted from multiple aspects such as product quality, performance, qualifications, and supply conditions to strictly limit the entry of suppliers who do not meet the requirements.

Source control

The quality inspection department conducts surprise inspections on material suppliers' factories on an irregular basis and samples and inspects the supplied materials in the raw material, semi-finished product, and finished product links. All materials must be tested and approved by third-party authoritative testing agencies before they can be used.

On-site sampling inspection

The quality inspection department collaborates with authoritative national testing centers and internationally renowned testing institutions and conducts monthly sampling inspections on building materials, strictly prohibiting the entry of unqualified materials into construction projects and insisting on using high-quality products to strictly control project quality. The group also adheres to the "Material Quality Month" activity, conducting rigorous self-inspections.

Technical exchanges

The group has held multiple material technology exchange meetings with excellent suppliers in the industry to expand discussions and achieve better quality control.

Green Procurement

Seazen complies with the Guidelines for Green Procurement in China's Real Estate Industry, and is actively promoting upstream material suppliers to carry out green building material certification. The green building material certification requirements are incorporated into the strategic centralized procurement technical standards, and the requirements of giving priority to green building material products with low energy consumption, low emissions, low toxicity and less harm, easy recycling and other characteristics are put forward.

By the end of 2022

Seazen has promoted **52** strategic suppliers to obtain green building materials certification

the proportion of green building materials suppliers has reached **51%**.



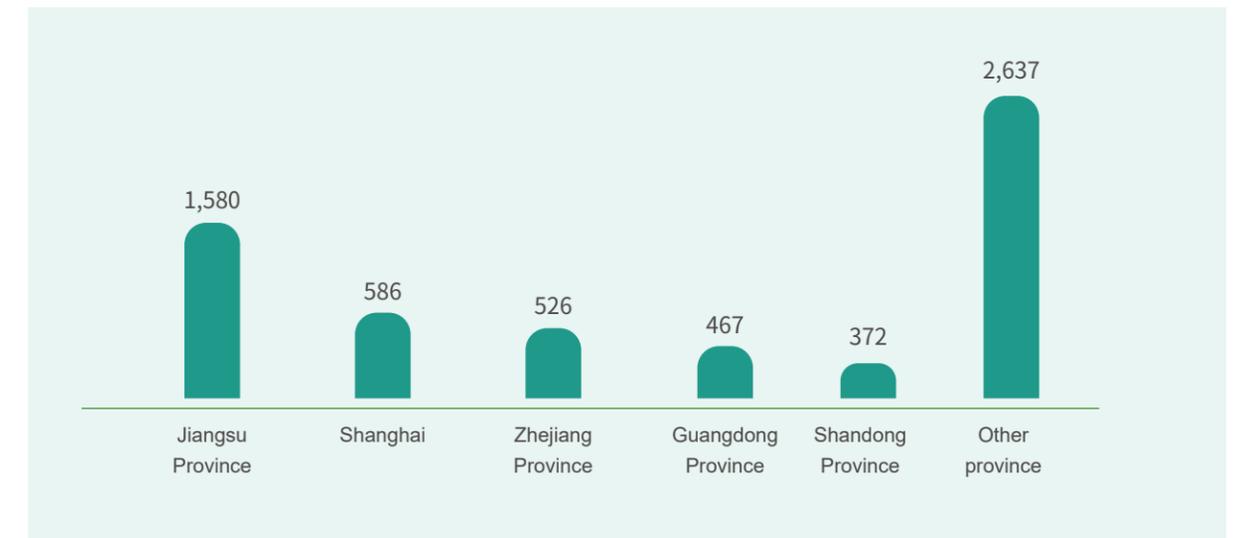
Promote suppliers to obtain green building materials Product Certificate (Hongwei Ceramics)



Promote suppliers to obtain green building materials Product Certificate (GlaxoSmithKline)

Localized procurement

The Group attaches great importance to the role of supply chain in promoting local sustainable development, encourages local procurement, selects suppliers closer to project construction and operation locations, and proposes **the relevant requirements of ≥ 50%** for local suppliers. During the Reporting Period, the number of active suppliers of the Group by geographical region is as follows:



Supplier Health and Safety

Seazen places a high priority on the health and safety of its suppliers, contractors, and other partners. To achieve this, the company adheres to the OHSAS 18000 Occupational Health and Safety Management System, which aligns with the Group's standards, to enhance the management of suppliers' health and safety. The Group imposes strict requirements on suppliers to ensure their safety measures comply with construction site safety regulations, such as construction safety guidelines, safety equipment, fire and electrical safety, and equipment usage rules. Our goal is to ensure the well-being of everyone involved in our operations.

Seazen places great emphasis on the health and safety of its suppliers and their employees, and is committed to promoting corporate social responsibility management. The *Supplier Code of Conduct* outlines specific requirements for the health and safety of suppliers, including the provision of safety protection for employees. To ensure that suppliers meet these standards, we require them to provide regular occupational health and safety training to all employees, which includes risk response methods and ways to improve their ability to respond to safety risks. We also encourage suppliers to purchase various types of insurance, such as personal accident, employer liability, and public liability insurance, to provide more comprehensive and stable protection for workers. Through these measures, Seazen is dedicated to creating a safer and healthier working environment for all stakeholders involved in its projects.



Supplier Capacity Building

Seazen regularly provides various training activities to suppliers, including legal affairs, business ethics, quality and safety. We encourage suppliers to formulate management measures that meet their own characteristics, and encourage suppliers to share the code with their upstream and downstream partners, so as to thoroughly implement the whole chain management of corporate social responsibility. The Group conducts supplier capability training activities every year and gradually expands the training scope to all suppliers.

Promote industry exchange and development

The Group actively seeks communication with suppliers and partners, explores innovative management models in cooperation with suppliers, and is committed to establishing an efficient exchange and cooperation platform to promote the coordinated development of the Group and partners.

Case

Brand Club

In February 2022, the "Yi Yue • Talking the New Future of Commerce in Xinjiang" brand of "Wuyue Plaza" in the northwest region of Wuyue Plaza was successfully held. The event invited famous industry experts, famous brand enterprises and authoritative media representatives to witness the business layout and product layout of Seazen in Urumqi.



Private club activities

Case

2022 China Shopping Center + Summit

In September 2022, the 2022 China Shopping Center + Summit was held in Nanjing. As a representative of outstanding enterprises in the upstream and downstream industrial chain of the commercial industry, Seazen conducted in-depth high-end dialog, shared insights and provided suggestions for industry partners to jointly explore the future development of China's business.



Summit

03

PRESERVING THE ENVIRONMENT AND PURSUING GREEN AND LOW-CARBON DEVELOPMENT

As a prominent real estate firm in China, Seazen is dedicated to upholding environmentally friendly, low-carbon, and healthy practices that promote symbiosis between humans and nature. During the reporting period, Seazen made significant strides towards sustainable enterprise by responding to the national agenda for low-carbon development and engaging in targeted carbon reduction measures, as well as promoting the development of green buildings and green commercial operations, self-governance, and other sustainability initiatives. Through the integration of green elements into all stages of site selection and development, design and construction, and production and operation, Seazen has made a concerted effort to create a sustainable, green living environment.

3.1 RESPONSE TO CLIMATE CHANGE

3.2 GREEN WHOLE - PROCESS DRIVE

3.3 CONSOLIDATING ENVIRONMENTAL GOVERNANCE



RESPONSE TO CLIMATE CHANGE

On the issue of global climate change, Seazen is dedicated to acting to mitigate its impact. During the reporting period, we conducted a thorough analysis of the climate-related risks and opportunities facing our operations. Our approach to addressing climate change is comprehensive, spanning the entire lifecycle of Seazen's products, from design and material procurement, to project construction and operation. We have implemented a range of measures to effectively reduce greenhouse gas emissions, including upgrading and optimizing equipment technology, utilizing renewable energy, managing carbon markets, and implementing green finance. In addition, we have disclosed relevant information in accordance with the TCFD⁵ framework and have continued to refine our climate change management strategies.



Climate Management System

Governance

Seazen's Board of Directors has taken an active role in managing significant climate-related matters. They have followed the TCFD framework to evaluate the potential risks and opportunities related to climate change and incorporated their findings into the company's decision-making processes. The ESG Management Committee has been given the authority to oversee ESG management and organize ESG communication meetings to address climate change concerns. Additionally, the sustainable development working group works closely with each business line to manage and evaluate climate change risks and opportunities in their daily operations, with guidance from the Seazen ESG Management Committee.

Strategy and Risk Management

As a responsible real estate enterprise, Seazen recognizes the importance of managing climate change risks. During the reporting period, we followed a comprehensive risk assessment process, based on the TCFD framework and the *Real Estate Enterprises' Guide to Action on Climate Change*. Our process involved identifying potential risk points, assessing their likelihood and impact on the business, and prioritizing actions to address them. Through this approach, Seazen proactively identified and evaluated climate-related risks and opportunities in our operations, and has continuously improved our risk management mechanisms.

⁵ Task Force on Climate-Related Financial Disclosures.

Climate Change Risk

Risk Description	Response Measures for Seazen
Transformation Risk	
<p>Legal and Policy Risk:</p> <ul style="list-style-type: none"> The implementation of energy-saving and emission reduction policies leads to a rise in material prices, as well as the loss of relevant subsidies and preferential policies. Stringent emission standards regulations lead to increased operating costs for emission management and information disclosure. 	<ul style="list-style-type: none"> Incorporate the low-carbon priority principle into product development and decision-making considerations, and update product and procurement standards accordingly. Keep track of regulatory agencies, laws and regulations, and investment institutions' disclosure requirements for carbon emissions and climate-related information to ensure compliance.
<p>Technology Risk:</p> <ul style="list-style-type: none"> Product iteration and upgrades lead to reduced demand for existing products and depreciation. 	<ul style="list-style-type: none"> Strengthen research cooperation on climate change with universities, research institutions, etc., and design and develop building projects that are more resilient to extreme weather and better able to cope with climate change, and construct more low-carbon building projects with multiple green building certifications.
<p>Market Risk:</p> <ul style="list-style-type: none"> Consumers' changing environmental awareness favors green products. Uncertain market signals lead to increased low-carbon transformation costs and operating costs for enterprises. 	<ul style="list-style-type: none"> Deepen green and low-carbon technology innovation. Jointly promote the development of the real estate green supply chain with industry partners.
<p>Reputation Risk:</p> <ul style="list-style-type: none"> Negative news leads to damage to the company's reputation, affecting stakeholders' positive evaluation of the company. 	<ul style="list-style-type: none"> Continuously participate in internationally and domestically recognized green certification and advocacy, sustainable development ratings, etc., to enhance industry competitiveness and brand reputation.
Physical Risk	
<ul style="list-style-type: none"> Acute risks generated by extreme weather such as typhoons, floods, etc., affect upstream material production and transportation, leading to project delays. 	<ul style="list-style-type: none"> Conduct a comprehensive assessment, develop emergency plans to respond to the impact of extreme weather events on business.
<ul style="list-style-type: none"> Chronic risks caused by climate warming and gradually rising sea levels may expose coastal projects to risks, and unstable supply and demand in the supply chain may cause development progress delays. 	<ul style="list-style-type: none"> Pay attention to changes in climate patterns and response planning development in various regions.

Climate Change Opportunity

Opportunity Type	Opportunity Description	Company Benefit
Resource Opportunity	High energy efficiency and green buildings	Lower operating costs and increased asset value
Energy Opportunity	Use of low-emission and renewable energy sources	Lower operating costs and avoidance of environmental compliance risks
Product Opportunity	Diverse green products and services	Enhanced green technology and increased industry competitiveness
Market Opportunity	Market access and support for green products and services; issuance of green bonds	Increased revenue growth, lower operating costs, and increased financing opportunities

Financial Impact of Climate Change

Seazen has realized that the severity and sustainability of the impact of climate-related risks and opportunities on the Company's financial position are the topics that stakeholders and the capital market are particularly concerned about. In the future, based on the TCFD framework, we will deepen the analysis of the potential financial impact of climate change on Seazen based on risk and assessment analysis.

Indicators and Targets

In 2022, Seazen made comprehensive deployment and planning for the Group's overall low-carbon development through the establishment of a green and low-carbon development working group. Through the planning kick-off meeting in the first quarter of this year, we have announced 7 plans and deployments on green and low-carbon action plans, system optimization, carbon emission research and verification, and brand building within the Group, and formulated corresponding indicators and goals.

In the coming years, Seazen plans to strengthen its collaboration with China Construction Research Institute to delve into energy conservation and carbon reduction strategies for commercial buildings. The focus will be on conducting feasibility studies on the applicability of carbon reduction measures and piloting energy conservation and emission reduction technologies. The research findings will be integrated with national and local policies to develop well-defined carbon reduction goals and strategies for new cities. Seazen aims to facilitate the construction industry's achievement of carbon neutrality by promoting the establishment of an "industry-study-use" system for energy conservation and carbon reduction in the real estate sector.

Capture Climate Change Opportunities

Through policy research, peer benchmarking and comprehensive reference to expert opinions, we have evaluated the market opportunities of climate change related to our own operations, identified the use of renewable energy and green finance as an important means to serve the real economy, and actively empowered the green development of real estate enterprises.

Steady progress of new energy layout

We invested in the establishment of Wusheng Energy Investment and Management Platform to continuously optimize the energy structure, improve energy efficiency, and help the Group reduce carbon emissions during the construction development and shopping mall operation stages. By 2022, the company's comprehensive utilization rate of renewable energy has reached 5.80%, and is striving to achieve a comprehensive utilization rate of 8% of the Group's renewable energy by 2025. During the Reporting Period, Wusheng Energy successfully joined hands with Wanda Group to undertake the investment, construction and operation of more than 50 photovoltaic projects in Wanda Plaza, so as to "contribute to the transformation of green buildings" for Wanda Plaza and achieve the goal of becoming the best low-carbon and energy-saving partner of domestic commercial complexes.

In addition, we actively purchase green electricity such as wind and solar power to support the development of renewable energy. In 2022, 16 projects such as Cixi, Xianju, Tongxiang, Quzhou, Wenzhou, and Ningbo Wuyue Plaza completed the purchase of green electricity once. The total purchase of green electricity was 19,572,400 kWh, with a carbon emission reduction was approximately 4,650.98 tons, which expanded the channels for promoting the use of green electricity.

In 2022, bulk integrated energy projects such as the Wuhan Coca-Cola Project and the Commercial Complex – Metro Project, which were invested and constructed by Wusheng Energy, were efficiently implemented. The Company implemented the green and low-carbon development strategy with practical actions, expanded the target scenario business to ensure quality and quantity growth, and accelerated breakthroughs in market expansion.

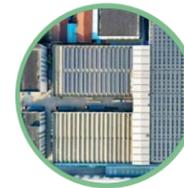


Wuhan Coca-Cola Plant Rooftop Distributed Photovoltaic Project

On May 25th, 2022, the Wuhan Coca-Cola plant's rooftop distributed photovoltaic project, the first of its kind in China, was officially put into operation. The project installed 6,240 540Wp solar photovoltaic panels, with an annual power generation of nearly 3.3 million kilowatt-hours. Over a period of 25 years, the project is expected to generate **82.5** million kilowatt-hours of green energy, saving the company **60** million yuan in electricity costs and reducing carbon emissions by approximately **82,000** tons.

Metro distributed photovoltaic project

The METRO Distribution Photovoltaic Project has a total installed capacity of approximately 3.6 MW, **making full use of the roof space of the mall** to provide favorable assistance for optimizing energy management and strengthening energy conservation and environmental protection construction. Over a 20-year period, the project is expected to generate approximately **80** million kilowatt-hours of electricity and reduce carbon emissions by approximately **65,000** tons.



Rooftop Distributed Photovoltaic Power Generation Project of Jiangsu Mingtian Wood Co., Ltd.

The Jiangsu Mingtian Wood Industry Co., Ltd. rooftop distributed photovoltaic power generation project, as the first industrial factory rooftop distributed photovoltaic project of Wusheng Energy, fully utilizes the roof area of 12,000 square meters, with a power generation of **27.5** million kilowatt-hours in a 25-year lifespan and is expected to reduce carbon emissions by about **27,418** tons, sulfur dioxide emissions by about **825** tons, nitrogen oxide emissions by about **413** tons, and carbon particulate emissions by about **7,480** tons.

Wuxi Runhe Plant Rooftop Distributed Photovoltaic Project

The Wuxi Runhe factory rooftop distributed photovoltaic project uses the "self-use, excess electricity to grid" mode, with an expected total power generation of about **60** million kilowatt-hours and carbon emissions reduction of about **55,600** tons over a 25-year lifespan.



Green Finance Empowerment

In 2022, Seazen, as a pioneer in the industry, made a breakthrough and opened up green financing channels and completed green CMBS financing. We have established a sustainable financing framework, with Sustainalytics, an authoritative certification body in Europe, certifying the green and sustainable development of the framework and issuing a second-party opinion. In addition, we have obtained the "Green Finance Pre-Issuance Stage" certificate issued by the Hong Kong Quality Assurance Agency (HKQAA). The sustainable development system has achieved milestone development.

On 31 May 2022, Seazen Global, a subsidiary of the Group, issued US \$100,000,000 7.95% senior green notes. This green bond has contributed to the Company's expansion of financing channels, optimization of capital structure and continuous enhancement of financial competitiveness. During the Reporting Period, the total financing amount of the multi-energy complementation project in operated Wuyue Plaza was RMB 47,500,000, all of which have been approved and allocated; The total amount of energy financing completed in 2022 is 164.84 million yuan; In 2023, we planned to issue a G1 graded green CMBS with a scale of 1.316 billion yuan, in a term of 18 years, and has obtained the non-negotiable letter from Shanghai Stock Exchange on August 17, 2022. In the future, Seazen will continue to implement the green concept and invest in qualified green projects through sustainable bonds and other financing methods, including green buildings, renewable energy, sponge cities, waste gas treatment and social responsibility.

GREEN WHOLE - PROCESS DRIVE

Seazen prioritizes the integration of economic, ecological, and social factors, aiming for sustainable and environmentally friendly development across all business aspects. Amidst a challenging industry landscape, Seazen has demonstrated operational resilience through its "residential + commercial" strategy. The company focuses on enhancing green design and development, expanding green building certifications, and pursuing new technologies, such as prefabrication construction and other innovative processes. Additionally, Seazen enforces strict work standards to ensure green construction and operation practices, considering the impact on surrounding communities and the environment. The company also promotes low-carbon environmental protection technologies to enable green operations.

Full Life Cycle Building Construction

Green Building Certification

The integration of green building layout is a crucial aspect of Seazen's goal to become a leading green real estate enterprise. We prioritize high standards and strict requirements for green certification, while actively conducting research and development in this field. To capitalize on new opportunities for green development, the company is pursuing green projects such as prefabrication construction and sponge cities.

In 2022, Seazen made significant progress in green building certification. The company increased the proportion of new buildings certified with China's Green Building Evaluation Standard, LEED Gold or above, WELL Healthy Building Standard and other green building certifications. The company also undertook certification of Leadership in Energy and Environmental Design for Existing Buildings for some existing projects, and aims to fully cover green building certification for all new projects by 2025. During the Reporting Period, The Group has 25 projects that have obtained the China Green Building Operation Certification Label. The area of new buildings that meet the green building standards is **13.31** million square meters, accounting for **100%**; A grand total of **37** projects obtained China Green Building Operation Certification.

Seazen's projects' international certification in 2022



Green Building Certification of Seazen's Residential Projects in 2022

No.	Issuing Authority	Certification Star	Project Name	Certification Date
1	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Changzhou Yuehua Mingyuan	15 August 2022
2	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Changzhou Jiuxi Taiyuan	15 August 2022
3	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	One-star	Changzhou Yujun Garden	15 August 2022
4	Foshan Housing and Urban-Rural Development Bureau	One-star	11-12 Foshan Yiming Garden Residential	01 November 2022
5	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Huai' an Wuyue Capital (Building 2 ~ 10)	11 November 2022
6	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Qidong Butterfly Garden	11 November 2022
7	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Suzhou Xiangman Yayuan	02 December 2022
8	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Suzhou Yuejun Garden	11 November 2022

Wuyue Plaza obtained green building certification in 2022

No.	Issuing Authority	Certification Star	Project Name	Certification Date
1	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Taizhou Taixing Wuyue Plaza	21 February 2022
2	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Nantong Qidong Wuyue Plaza	21 February 2022
3	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	One-star	Suzhou Kunshan Wuyue Plaza	22 July 2022
4	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	One-star	Suzhou Xiangcheng Wuyue Plaza	22 July 2022
5	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Changzhou Tianning Wuyue Plaza	28 June 2022
6	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Changzhou Liyang Wuyue Plaza	28 June 2022
7	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Changzhou Jintan Wuyue Plaza	28 June 2022
8	Xi' an Housing and Urban-Rural Development Bureau	One-star	Xi' an Fengxi Wuyue Plaza	08 November 2022
9	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Nanjing Jianye Wuyue Plaza	22 July 2022
10	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Yangzhou Baoying Wuyue Plaza	21 February 2022
11	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Yangzhou Gaoyou Wuyue Plaza	21 February 2022
12	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	One-star	Yangzhou Hanjiang Wuyue Plaza	21 February 2022
13	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Zhenjiang Yangzhong Wuyue Plaza	28 June 2022
14	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Zhenjiang Dingmao Wuyue Plaza	25 January 2022
15	Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	Two Stars	Zhenjiang Jurong Wuyue Plaza	21 February 2022
16	Anhui Provincial Department of Housing and Urban-Rural Development	Two Stars	Tongling Tongguan Wuyue Plaza	18 November 2022
17	Wenzhou Housing and Urban-Rural Development Bureau	One-star	Longwan Wuyue Plaza	01 November 2022

LEED official certification of Seazen in 2022

No.	Project Name	Level of Certification
1	Nanjing Jianye Wuyue Plaza	Gold

WELL official certification of Seazen in 2022

No.	Project Name	Level of Certification
1	Changzhou Tianning Wuyue Plaza	Gold

LEED Pre-certification for Seazen's projects in 2022

No.	Project Name	Level of Certification
1	Taiyuan Wanlin Wuyue Plaza	Gold
2	Wuhan Caidian Wuyue Plaza	Gold
3	Zhangzhou Longwen Wuyue Plaza	Gold
4	Lanzhou Anning Wuyue Plaza	Gold
5	Yibin Cuiping Wuyue Plaza	Gold
6	Taizhou Hailing Wuyue Plaza	Gold
7	Yantai Zhifu Wuyue Plaza	Gold
8	Tianjin Baodi Wuyue Plaza	Gold
9	Nanjing Future Land Feili Platinum Bay	Gold

Projects of Seazen obtained WELL pre-certification in 2022

No.	Project Name	Level of Certification
1	Taizhou Hailing Wuyue Plaza	Gold
2	Nanjing Future Land Feili Platinum Bay	Gold

Seazen is committed to green building development and has implemented various initiatives to achieve this goal. The company has referred to both domestic and international green building certification standards in their planning, and created policies to support these efforts. Additionally, Seazen has established EHS and green construction systems and promoted the development of various guidelines and standardization documents such as *Green building project construction guidelines*, *Standardization documents of health and safety management system*, *Standardization documents of environmental management system*, to ensure the management of the entire life cycle of buildings, from ecological design to sustainable operation. By adhering to environmental protection principles and responsible development practices, Seazen aims to minimize the carbon footprint and environmental impact of their buildings.

All green building projects within the scope of the Group's business meet the basic and above design requirements of GB/T 50378-2019 Green Building Evaluation Standard implemented by the country. Under the guidance of the Group's green and low-carbon campaign, Seazen will continue to forge ahead, actively promote the certification of various green and healthy buildings, continue to expand the number and certified area of sustainable building certification projects, and realize the all-round "green" enterprise.

Case Nanjing Seazen Feili Platinum Bay Pre-certification Project

In summer 2022, Nanjing Seazen Feili Platinum Bay project obtained LEED and WELL double gold pre-certifications. This represents another leap of Seazen in the field of green and healthy buildings, adding to the "Green Building Blueprint" of the New Blue Action.

During the building design process, Nanjing Seazen Feili Platinum Bay has applied a number of proactive strategies, such as rainwater recycling, high-efficiency equipment units and indoor air purification; At the same time, passive designs such as high-efficiency enclosure structure, site sound environment, heat island environment optimization, building lighting and ventilation design are also considered.

During the construction process, Nanjing Seazen Feili Platinum Bay adheres to the principle of adapting to local conditions and integrating design, and is built in accordance with the requirements of green building standards in terms of building energy performance and water-saving performance, material selection and material saving during the whole life cycle, indoor and outdoor environmental control and operation management, and is designed around five dimensions, namely "green and low-carbon design", "low-impact ecological development", "green and healthy materials", "application of Liuheng technology" and "human health services", with a view to achieving a green and healthy project positioning.

- Energy saving elevator
- Efficient water saving equipment
- Garage CO control
- Green material
- Low impact development
- Illumination system design
- Renewable energy
- Structure optimization
- Prefabrication design
- Liuheng technology

Convenience
Public facilities

ZHENYE SEASEN NANJING FEILIBOWAN
Nanjing, China
LEED v4.1 RESIDENTIAL
GOLD
2022.08.01

WELL
WELLER 10000
绿色新城·南京麒麟铂湾
中国首家
WELL 10000 认证项目
中国认证
2022年7月

Key Technologies of Nanjing Seazen Feili Platinum Bay

Nanjing Seazen Feili Platinum Bay LEED & WELL Gold Pre-certification

Prefabricated Construction

Seazen regards prefabricated construction as an important implementation path to promote construction industrialization, effectively reducing resource consumption and waste generation in the construction process. On the basis of promoting the industrialization of traditional residential buildings, through the application of new technologies, such as the application of seven types of assembly systems, such as prefabricated internal partitions, non-disassembly templates, prefabricated decoration and dry construction, the pre-fabrication and assembly rate of building components and parts and components has been continuously improved, which has reduced the generation of construction waste, energy consumption and dust pollution during the construction process.

In 2022, the project of Land Lot A in Southwest of Longhu of Seazen was awarded as a prefabricated demonstration project in Jiangsu Province. At present, about 45% of Seazen development projects have realized prefabricated construction, covering commercial, residential, apartment, office and other businesses. The requirements of 30% of the total new construction floor area of prefabrication construction in China in 2025 as set out in the Guiding Opinions of the General Office of the State Council on Vigorously Developing prefabrication construction have been fulfilled in advance. The total implemented area is over 22,000,000 m², with a maximum assembly rate of 95%.



Xuzhou Jinchenghui Real Estate Co., Ltd. Land Parcel A of Dachonghu Southwest

Total implemented area is over **22,000,000 m²**

Maximum assembly rate of **95%**

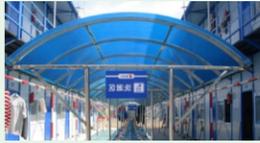
Ultra-low Energy Buildings

Seazen has been forging ahead in the development of ultra-low energy consumption buildings, and has formulated the Guidance Manual for the Whole Process of Ultra-low Energy Consumption Residential Buildings, which clarifies the rights and responsibilities of special control nodes, completion signs, standard processes, control points, meeting requirements, responsible departments, etc. At the same time, we also strengthened the management and control of ultra-low energy consumption residential buildings, guided the development of ultra-low energy consumption building signs and obtained certification. In 2022, Cangzhou Seazen Xiyue Chunqiu Residential Project passed the expert review of ultra-low energy consumption building.

Green Construction

Seazen has comprehensively considered the needs of the environment and surrounding communities during the construction process, strictly abided by the Guidelines for Green Construction Technology and other standard guidelines, formulated and implemented 105 measures including water conservation, energy conservation, dust reduction and noise reduction, continuously refined the particle level of construction management, and continuously promoted the implementation of green construction.

Before Construction



Reusable composite color steel plate movable buildings were used for temporary structures such as on-site offices and storage facilities. Various types of processing sheds and protective sheds were also constructed using self-made tooling methods, allowing for flexible dismantling and reuse of materials, and reducing the consumption and waste of building materials.

During construction



A car washing pool was set up to achieve one-time water supply, which was then recycled after three-stage sedimentation. A dedicated person was responsible for controlling dust on the construction site, using effective measures such as sprinkling water, enclosures, and covering to minimize dust emissions.

During the building process



A noise detection device was installed on-site and noise protection sheds were constructed to strictly monitor noise levels. In addition, measures such as conducting visits to the surrounding area, posting noise warning signs, and using QR codes for noise prevention and control were employed to promptly identify and resolve issues related to noise transmission during construction.

Sponge City

The Group continues to practice the concept of “Sponge City” in project development. During the Reporting Period, the Company continued to improve the construction level of sponge city in Wuyue Plaza in accordance with the Design Standards and Practical Technical Manual of Sponge City, continuously improved the connection between the building users and the natural environment, and created a harmonious living environment between human and nature. As of the end of 2022, 103 projects have applied the concept of sponge city construction in Seazen.

Construction of aquatic ecological infrastructure

Utilizing techniques such as depressed green space, rain gardens, and rainwater harvesting and reuse to maximize the storage, infiltration, and purification of rainwater on-site.



Improving the efficient use of water resources

After processing the collected rainwater, it is used for project green plant irrigation, road washing, landscape replenishment, etc., effectively controlling project surface runoff and non-point source pollution, and achieving efficient circulation and utilization of water resources.

Case

Sponge Facilities of Taizhou Fengcheng Yuetiandi

Located in Hailing District, Jiangsu, Taizhou Fengcheng Yuetiandi project is the Group's first commercial property project in Jiangsu Province to obtain LEED community gold pre-certification. This project applies the concept of a new generation of urban rain and flood management, and adopts a variety of sponge measures such as permeable paving, sunken green space, rainwater garden, and rainwater collection pool to control site runoff and eliminate surface pollution. According to statistics, the total annual runoff control rate of the site of Taizhou Feng Cheng Yue Tiandi has reached 75%, and the surface pollution removal rate has reached 50%. In the later stage, the project will formulate corresponding operation and maintenance strategies according to the characteristics of different sponge facilities to ensure the regular maintenance and normal operation of its facilities and give full play to the role of sponge city.



Taizhou Fengcheng Yuetiandi

Ecological Restoration

Seazen recognizes the importance of biodiversity protection and sustainable development during land development. Therefore, we prioritize maintaining the balance of the ecosystem and carefully assess the potential environmental and ecological impact of our development activities. We comply with relevant regulations such as the *Natural Protection Outline of the People's Republic of China* and the *Land Administration Law* and formulate appropriate mitigation measures to address any potential impact.

Seazen places great importance on preserving the natural environment and seeks to avoid developing greenfield areas such as farmland to maintain ecosystem balance and stability. In the event that greenfield development is necessary, the company only proceeds with properties that have achieved green certification and engages in compliance development while effectively ensuring the preservation of ecological environments and habitats for animals and plants around the greenfield. Additionally, Seazen prioritizes impact assessments in the field of brownfield utilization and development to promote urban brownfield redevelopment, greenfield development, and other projects. The company analyzes the negative impact on local communities, natural environment, and biodiversity, and takes into account land development strategies and the negative list of project sites to minimize any negative impact. By prioritizing ecological restoration, Seazen aims to achieve harmonious unity between environmental protection and effective development and utilization.

Green Business Operation

Building green shopping malls is an indispensable part of the “Green and Low-carbon Blueprint” of the New Blue Action, and an important place to meet people's green consumption needs and promote green lifestyle and consumption patterns. During the Reporting Period, a total of 56 Wuyue Plazas have passed the application for the establishment of green shopping malls, including 14 national-level shopping malls and 42 provincial-level shopping malls. Behind this achievement is the whole process of Seazen's green concept from design, construction to operation and management. As the core business of Seazen, Wuyue Plaza actively focuses on green construction of projects, standardized integration of green technologies and intelligent operation management.

During the Reporting Period, a total of



56 Wuyue Plazas have passed the application for the establishment of green shopping malls

National Green Shopping Mall Certification (14 Wuyue Plazas)

- Changsha High-speed Railway Wuyue Plaza
- Hefei Feidong Wuyue Plaza
- Zhenjiang Wuyue Plaza
- Kunshan Wuyue Plaza
- Ganyu Wuyue Plaza
- Yancheng Yandu Wuyue Plaza
- Tianjin Jinnan Wuyue Plaza
- Tianjin Ninghe Wuyue Plaza
- Haikou Wuyue Plaza
- Yunnan Zhaotong Wuyue Plaza
- Hebei Cangzhou Wuyue Plaza
- Hebei Tangshan Wuyue Plaza
- Changzhou Wuyue Plaza
- Nantong Rujian Wuyue Plaza

Provincial Green Shopping Mall Certification (42 Wuyue Plazas)

- | | | |
|---|-----------------------|--------------------------------|
| Shanghai Qingpu Wuyue Plaza | Anqing Wuyue Plaza | Zhili Wuyue Plaza |
| Changsha Songya Lake Wuyue Plaza | Huaibei Wuyue Plaza | Changsha Wangcheng Wuyue Plaza |
| Haiyan Wuyue Plaza | Changzhou Wuyue Plaza | Ningxiang Wuyue Plaza |
| Tongxiang Wuyue Plaza | Huangyan Wuyue Plaza | Huainan Wuyue Plaza |
| Bengbu Wuyue Plaza | Yuhuan Wuyue Plaza | Sihui Wuyue Plaza |
| Changsha High-speed Railway Wuyue Plaza | Baoshan Wuyue Plaza | Huzhou Wuyue Plaza |
| Zunyi Wuyue Plaza | Tongling Wuyue Plaza | Changchun Luyuan Wuyue Plaza |
| Qingzhen Wuyue Plaza | Baoji Wuyue Plaza | Changchun Beihu Wuyue Plaza |
| Shengzhou Wuyue Plaza | Feidong Wuyue Plaza | Anning Wuyue Plaza |
| Kunming Wuhua Wuyue Plaza | Yiwu Wuyue Plaza | Fuyang Wuyue Plaza |
| Suzhou Wuyue Plaza | Cixi Wuyue Plaza | Kunqu Wuyue Plaza |
| Wenzhou Wuyue Plaza | Nanxun Wuyue Plaza | Pinghu Wuyue Plaza |
| Ruian Wuyue Plaza | Chuzhou Wuyue Plaza | Xianju Wuyue Plaza |
| Chenggong Wuyue Plaza | Hanzhong Wuyue Plaza | |
| | Quzhou Wuyue Plaza | |

Promoting Green Operation and Maintenance

Smart Store Closure

Wuyue Plaza implemented the leasing model of smart store closure system. On average, each square was equipped with 71 terminal equipment for online video remote store closure, which helped improve the efficiency of store closure and gained a high reputation among merchants. By 2022, the smart store closing system has been used in all 145 stores in Wuyue plazas, and the store closing time has been shortened from 2-4 hours to less than half an hour, which has won recognition and praise from merchants.



Green Electricity

Three Wuyue Plazas in Yungui District have obtained the green electricity certificate for 2021; Wuyue Plazas in Southern Zhejiang and Northern Zhejiang are gradually purchasing green electricity such as wind and light. By the end of the year, 16 projects including Cixi Wuyue Plaza will complete the purchase of green electricity once, which will broaden the channels for promoting the use of green electricity.



Thermal Insulation and Energy Saving

Wuyue Plaza conducted pilot research on a variety of heat insulation methods such as internal sunshade curtain, external sunshade mesh, high-density and non-transparent coating, JDB screen insulated glass, new heat-free rare earth transparent coating, electric external sunshade curtain, rare earth laminated glass, etc., and finally selected the best solution for comprehensive evaluation, i.e. rare earth transparent coating and external sunshade curtain, to optimize indoor temperature experience.



Energy Saving Measures

- Set up special zone for sales of green products and monitor indoor temperature and environment;
- Setting up classified recycling bins and recycling bins for renewable resources;
- In 2022, we completed the pilot transformation of energy-saving water pumps in **50** projects, saving **2,000,000** kWh of electricity, reducing carbon emissions by **1,900** tons, and saving electricity costs by RMB **300,000**;
- The brightness of the large screen in all operating square is adjusted from **100% to 50%** (average). The annual energy consumption of the Wuyue projects is reduced by approximately **1,500,000** kWh, and the electricity cost is expected to be reduced by approximately RMB **1,200,000**, reducing carbon emissions by **1,400** tons;



Supporting Green Operation

- Optimize the process of shop adjustment and construction control to avoid waste of resources caused by invalid demolition, realizing the reuse of decoration resources;
- Regularly broadcast green and environmental protection promotional videos on large indoor and outdoor screens and carry out trade-in activities;
- Transforming outdoor ordinary street lamps into smart multi-media street lamps;
- The car parking spaces are leased under the brand name;
- Install charging piles in the basement and outside, and add barrier-free parking spaces and new energy vehicle charging facilities in accordance with the green innovation standards;
- According to the characteristics of the traffic flow during holidays and weekdays, the parking lot is controlled by region and measured after zoning control. The annual energy saving of business management is approximately RMB **4,000,000**, and the carbon dioxide emission is reduced by approximately **4,900** tons;



Lighting system

Using passive design concept, Wuyue Plaza sets up a large number of roof skylights to create a good natural light; At the same time, high-efficiency and energy-saving lighting fixtures were adopted, coupled with energy-saving control measures such as zoning, timing and sensing, to effectively reduce indoor lighting power consumption.



Renewable Energy Utilization

The rooftop distributed photovoltaic project of Wuyue Plaza comprehensively promoted the solar photovoltaic power generation projects in various regions in the mode of EMC energy contract management, made full use of the idle roofs of each project, laid solar photovoltaic and grid-connected operation.



Rainwater recycling system

By setting up a rainwater collection and utilization system, Wuyue Plaza collects and cleans rainwater in the surrounding commercial areas, and applies it to greening irrigation, road watering and other purposes, which plays a role in saving water resources.

Case Zhangzhou Longwen Wuyue Plaza created a green and healthy commercial street zone with a 6-dimensional standard

Zhangzhou Longwen Wuyue Plaza, located in Zhangzhou City, Fujian Province, is built into a "LEED Demonstration Zone" for the city's transformation and development in accordance with LEED standards, focusing on six dimensions, namely "site selection and transportation", "sustainable site", "water use efficiency", "materials and resources", "indoor environmental quality" and "energy and atmosphere". From initial site selection, medium-term construction to subsequent operation, it practices full-cycle low-carbon emission reduction measures, and was awarded LEED Gold pre-certification in July 2022.

Comprehensive consideration of transportation and surrounding facilities to expand the clustering effect of the population industry and provide convenience for green travel

Adopt high-efficiency water-saving appliances, choose low-flow water as much as possible under the premise of ensuring user experience, and achieve effective cost reduction

We have set up a carbon dioxide concentration monitoring system in areas with high density of personnel and connected with fresh air units to ensure the relatively constant indoor fresh air volume and create a fresh and pleasant environment for customers

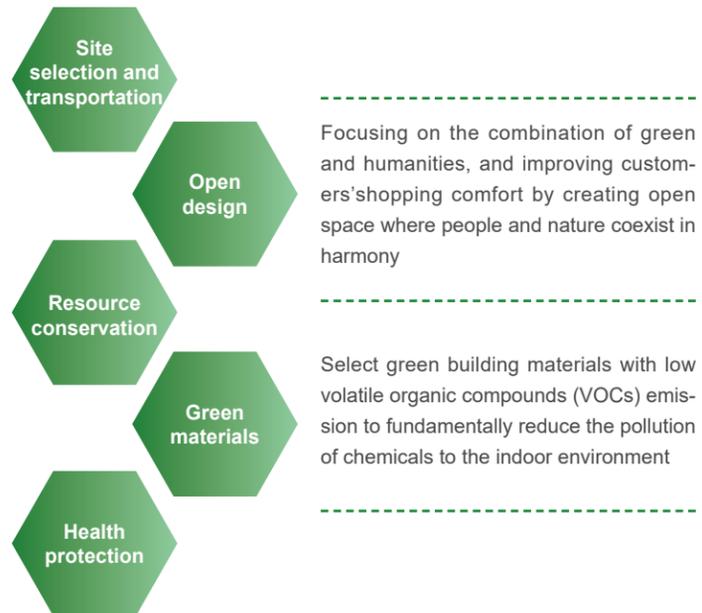


Photo of Zhangzhou Longwen Wuyue Plaza

Commencement of Leasing

Seazen is committed to fulfilling the green responsibility of the property ecosystem by implementing a range of energy-saving and consumption-reduction management plans. To achieve this, the company has formulated the *Green Lease Guidelines* and signed the *Green Lease Agreement* with tenants. The company encourages tenants to prioritize the use of green products, properly classify waste, and promote energy conservation and environmental protection. Tenants are encouraged to set targets for electricity and water consumption that are linked to their own operations to establish an awareness of electricity and water conservation. The company evaluates the green operation behavior of tenants through the green leasing evaluation system and incentivizes tenants to promote their overall performance in green operation. During the reporting period, Seazen renewed the *Green Tenancy Agreement for Merchants* contracts with approximately 25,000 tenants, creating a healthy and green business ecosystem.

Green Lease Standard

- Establish a green leasing evaluation system, grade the behavior of merchants every year, and provide incentives for merchants with outstanding performance in green operation
- Comprehensively carry out environmental target management, strengthen the management of air, water, noise and waste in the operation stage, improve the environmental benefits of buildings, and regularly carry out construction energy audit and scientific energy consumption management through the Wuyue Energy Consumption Control Platform to tap the potential of energy-saving transformation
- Regularly communicate and negotiate with merchants, urge merchants to formulate energy consumption management plans for stores, and promote merchants to comply with environmental management objectives
- Carry out energy-saving publicity on a regular basis, organize energy-saving renovation of existing buildings, display potential cost benefits to merchants in an open and transparent manner, and encourage merchants to participate
- Promote the triple net value lease, clarify the payment methods of commercial management fees such as water consumption, kitchen waste generation and energy consumption during the lease period and operation period of merchants, and encourage merchants to reduce costs

Case Green leasing mode of high-efficiency oil fume equipment

To effectively solve the environmental compliance problem of oil fume emissions, the Company has explored a new model of green equipment leasing and promoted the pilot implementation of high-efficiency oil fume fan and intelligent monitoring. Through unified planning and design, integrated installation, and unified post-maintenance, the pilot project helps reduce the investment costs of merchants in store expansion, and the platform monitors various operating data of oil fume equipment in real time, automatically early warning of emissions exceeding standards and equipment abnormalities, so as to ensure compliance with the national environmental impact assessment (EIA), and avoid the cost of environmental protection rectification and punishment risks involving hundreds of millions of dollars. During the Reporting Period, the high-efficiency oil fume equipment green leasing project has been promoted in 9 Wuyue Plazas. Green lease contracts for oil fume equipment have been signed with approximately 188 catering oil fume merchants, with a signing rate of 80%. The project was well received by the tenants, and also enhanced the social influence of the green and environmental protection of the Wuyue brand.



CONSOLIDATING ENVIRONMENTAL GOVERNANCE

Environmental Management Measures

Seazen always regards protecting the ecological environment as its own responsibility, actively responds to the call for ecological civilization, strives to consolidate environmental governance, expands exploration of energy conservation and emission reduction measures, and actively responds to climate change. The Group strictly abides by *the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations, combined with its own applicability and with reference to the energy management system requirements including ISO 14001, ISO 50001 and other standards, and has made corresponding regulatory requirements and guidelines in respect of environmental issues such as energy consumption management, resource conservation, pollution prevention and control, and garbage classification. During the reporting period, in order to further strengthen the ability to cope with environmental governance and environmental emergencies, Seazen revised the Environmental Management Policy and the Emergency Response Guidelines on the basis of the original policy, and updated the regulations in response to climate change, water resource management, waste management, biodiversity protection and emergency response. During the Reporting Period, we took the initiative to carry out environmental assessment of projects and promoted the implementation of environmental protection rectification measures in combination with pollution prevention and control recommendations.

Seazen upholds the principles of the circular economy and prioritizes the "reduce, harmless, and recycle" approach in waste management. The company closely monitors and manages waste from the source to improve recycling rates. Seazen treats wastewater and exhaust gas in compliance with legal requirements, and has established agreements with third-party professional disposal agencies to ensure the safety and rationality of the entire process. Regarding water resources management, Seazen has implemented various facilities such as rainwater storage, roof greening, and permeable paving at operating sites to increase the reuse rate of rainwater and promote the virtuous cycle of urban water ecosystems.

Energy Saving and Emission Reduction Actions

During the Reporting Period, Seazen stepped up its efforts to explore effective ways to save energy and reduce emissions. In terms of resource management, the Group has formulated the *Energy Conservation Management Regulations, the Implementation Rules for Energy Conservation Technology Supervision* and other normalized management regulations with reference to the *Energy Conservation Law of the People's Republic of China* and other relevant national laws and regulations and industry regulations. The Group has prepared and issued the *Comprehensive Energy Design Standards and Operational Technical Manual*, and implemented comprehensive energy conservation management measures including benchmarking evaluation and hierarchical management. In terms of exploring energy conservation and consumption reduction, the Group has formulated an optimization plan for commercial energy consumption, forming a total of 5 major projects and 14 sub-projects, and continuously exploring more possibilities of energy conservation and emission reduction. In addition, Seazen also requires employees to save energy during production and life to enhance their overall awareness of conservation.

At the same time, as of December 2022, the Company has formed three typical integrated energy solutions for different climate zones, optimized electromechanical solutions in combination with national energy policies, established integrated energy systems such as cold and heat sources and multi-energy integration, and integrated photoelectric storage, and promoted the application to 21 projects under construction. During the Reporting Period, Seazen cooperated with relevant institutions to explore the pilot of the intelligent control system of commercial air-conditioners, further exploring the potential of energy conservation and consumption reduction, so as to achieve the Group's management objectives of energy conservation, emission reduction and efficient operation.





In terms of exploring energy conservation and consumption reduction, the Group has formulated an optimization plan for commercial energy consumption, forming

5 major projects

14 sub projects

Case

Efficient Heating and Cooling System

The high-efficiency cooling and heating system, which consists of high-efficiency energy-saving cooling and heating source units and HVAC systems, not only creates a comfortable indoor environment, but also reduces the energy consumption of buildings at the source. Seazen has applied this practice to the large commercial cooling and heating source system in more than 100 Wuyue Plazas, adhering to standardized centralized procurement, strict control of equipment energy efficiency, and formulating a complete computer room system to achieve standardized and efficient management of equipment rooms. The system realizes various energy supply methods such as water tank storage, water tank supply, air source heat pump and cooling unit supply, and combined energy supply of water tank and unit according to load changes during the operation period of the daytime shopping mall. Compared with the traditional system, the high-efficiency cooling and heating system can save tens of millions of dollars in project investment and help reduce carbon emissions by tens of millions of tons per year.



Photos of cooling and heating system

Case

Tianjin Binhai Wuyue Plaza Electric Boiler Water Storage Heat Supply Project

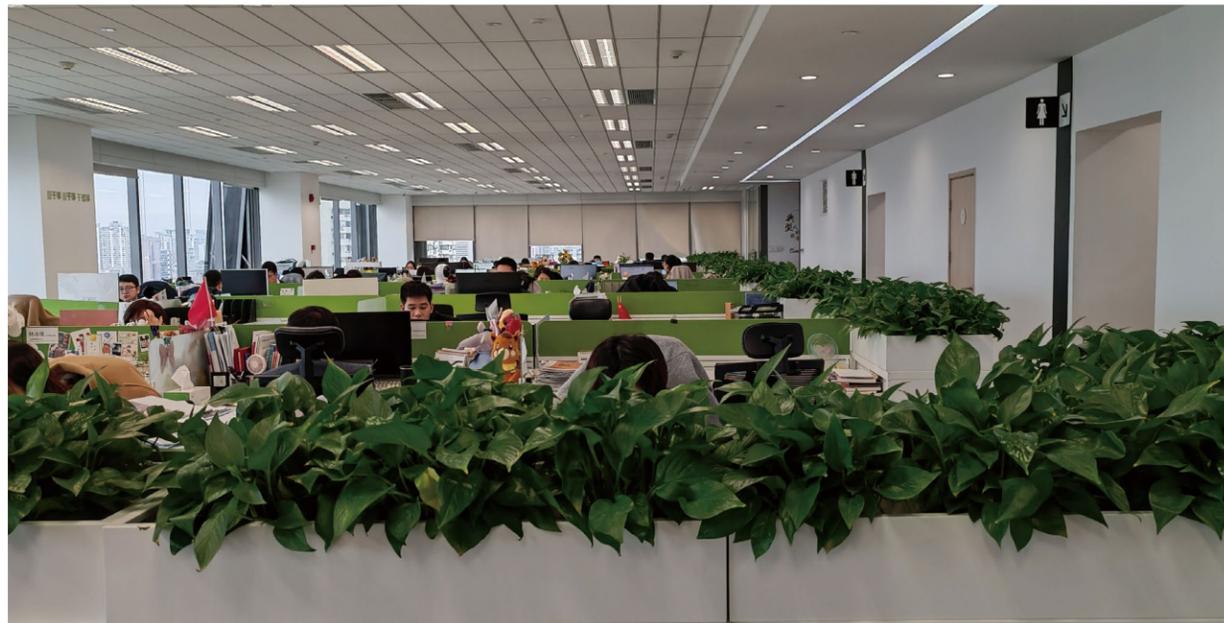
The water-storage heat supply project of the electric boiler of Binhai Wuyue Plaza, which was invested, constructed and operated by Wusheng Energy using the EMC model, has a total heat supply area of 100,000 square meters. The project uses electric boiler + water storage heat supply system to replace regular municipal heating. Through the high-efficiency operation of day and night heat storage, the project balances the load difference between the peak and valley of the power grid, makes full use of the tiered electricity price, and reduces operating costs. At the same time, the project has applied a high-level automation system that is noise-free, pollution-free, safe and environmentally friendly, which can save about **30,000,000** yuan of costs and reduce about **18,000** tons of carbon emissions throughout the 10-year cycle.



Photo of water storage heat supply project of electric boiler

Practicing Green Office

Advocating green office is not only a part of sustainable green enterprise, but also an important part of Seazen's participation in energy conservation and emission reduction as a responsible social citizen. The Group has jointly created a green and ecological office environment. Focusing on the four dimensions of office environment, working style, office equipment and low-carbon life, the Group has carried out a number of green office energy-saving measures, advocated the joint practice of green behaviors throughout the Group, and implemented green office in every small daily detail by saving paper, turning off water, saving energy, posting saving slogans, etc., gradually forming a new trend in the new town.



Case

Colorful XIN Convention

During the Reporting Period, Seazen formulated a low-carbon convention to embed green labels in all scenarios from offices to Wuyue Plazas, constantly reminding "Seazen People" to practice green office requirements, and promoting the Company to achieve a more efficient, environmentally friendly and healthy development as soon as possible. Seazen encourages all employees to implement the "Low-carbon Convention" initiative and establish the energy-saving awareness of "reducing costs and increasing efficiency in seconds and seconds":

Starting from around, we promote smoke-free environment and garbage classification, care for ecology, respect for nature, and create a comfortable and healthy working environment together.

Starting from small things, implementing energy conservation and emission reduction measures such as high efficiency and low consumption and resource reuse, and creating a green and energy-saving office mode together

Advocate the "Clean Plate" campaign and green travel, cultivate green environmental awareness and practice a low-carbon and environmentally friendly lifestyle together

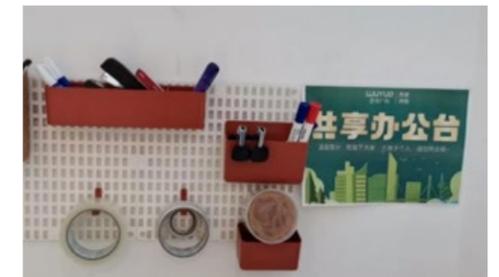
In addition, we also organically combined green office with green public welfare, and made donations of saplings in the Alashan Tengge Desert by scanning a QR code in the office area to add new green to the desert. By the end of 2022, 7,981 employees have completed 53,434 green energy-saving cards and 20,000 tree seedlings donations.



Case

Healthy Office

In 2022, Changzhou Tianning Wuyue Plaza won the WELL Gold level official certification, actively practiced green actions, created a healthy office environment, prioritized the use of healthy certified materials and green operation and maintenance products that meet the WELL standards, built a green and low-carbon operation and maintenance system, and built a green office. In order to raise the awareness of resource conservation, the office has placed office supplies with low frequency of use of tape, bookkeeper and roll lamps by setting up "shared office platform" to reduce unnecessary procurement, so as to achieve the purpose of making the best use of materials and improve the utilization rate of resources.





Environmental Performance

During the reporting period, Seazen has set relevant targets in terms of carbon dioxide emissions, energy consumption and use of resources, and continued to promote the set targets in an orderly manner.

Energy and Resources Consumption in 2022^{6,7}

	Unit	2022	2021	2020	2022 Increment rate ⁸
Gasoline	Ten thousand litre	4.26	55.14	/	-92.27%
Natural Gas	Ten thousand m ³	1,428	1,283.31	752	11.27%
Direct energy consumption	MWh	39,169	36,380	81,304	7.66%
Electricity	MWh	591,825	588,720	331,343	0.53%
Heat	GJ	410,461	287,700	273,111	42.67%
Indirect energy consumption	MWh	587,845	603,420	407,207	-2.58%
Total energy consumption	MWh	627,014	639,800	488,511	-2.00%
Intensity of energy consumption	MWh/RMB million of rental and management fee income from urban complexes	62.66	63.94	48.82	-2.00%
Water Consumption	Tons	6,423,227	6,540,220	3,778,036	-1.79%
Water Intensity	Tons/RMB million of rental and management fee income from urban complexes	642	757	712	-15.20%

⁶ As the Group's operation does not involve the use of product packaging materials, KPI A2.5 is not applicable.

⁷ The energy consumption disclosed in this report is presented in MWh (kWh in '000s). The calculation methods and conversion factors come from the Accounting Methods and Reporting Guidelines for Other Greenhouse Gas Emissions from Public Building Operation issued by the National Development and Reform Commission. In 2022, the Group carried out a full-caliber carbon audit of data in 2022 and 2021. The energy emission sources identified mainly include gasoline, natural gas, electricity and heat. Data in 2021 are restated according to the results.

⁸ Seazen's Board of Directors attaches great importance to the setting of ESG goals and daily tracking. The 2022 increment rate is the regular tracking and supervision of Seazen's Board of Directors on the 2025 green commitment goals.

Waste Discharge in 2022⁹

	Unit	2022	2021	2020	2022 Increment rate
Kitchen waste	Tons	122,369	156,415	85,173	-21.77%
Domestic waste	Tons	187,230	209,956	149,977	-10.82%
Construction waste	Tons	51,075	34,365	25,556	48.63%
Total discharge of non-hazardous waste	Tons	360,673	400,736	260,706	-10.00%
Intensity of non-hazardous waste discharge	Tons/RMB million of rental and management fee income from urban complexes	36.05	46.39	49.11	-22.29%

Greenhouse Gas Emission Data¹⁰

	Unit	2022	2021	2020	2022 Increment rate ¹¹
Scope 1: Direct emissions	tCO ₂ e	30,968.75	28,972.00	16,256	6.89%
Scope 2: Energy indirect emissions	tons CO ₂	498,798.51	503,716.00	222,552	-0.98%
Total greenhouse gas emissions	tCO ₂ e	529,767.26	532,687.00	238,808	-0.55%
Intensity of greenhouse gas emissions	tCO ₂ e/RMB million of rental and management fee income from urban complexes	52.94	53.24	44.98	-0.55%

⁹ The Group's hazardous waste includes a small amount of waste toner cartridges and waste ink cartridges, which are all disposed of by qualified recyclers, and no hazardous waste is discharged. As the impact on the environment is minimal, KPI A1.3 is not disclosed in this report.

¹⁰ In 2022, the Group carried out a full-caliber carbon audit. The statistical caliber of carbon emissions in 2022 covers the data of Wuyue Plazas, hotels, projects under construction and headquarters within the scope of operation. The calculation methods and conversion factors refer to IPCC GHG Data Base, Construction Carbon Emission Calculation Standards, 2019 Average Carbon Dioxide Emission Factors of China's Regional and Provincial Power Grids and the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Public Building Operators. Data in 2021 are restated according to the results.

¹¹ Seazen's Board of Directors attaches great importance to the setting of ESG goals and daily tracking. The 2021 increase rate is the regular tracking and supervision of Seazen's Board of Directors on the 2025 green commitment goals.

04

CARING FOR EMPLOYEES AND CREATING A DIVERSIFIED CULTURE

Under the "people-oriented" concept, Seazen always pays attention to the work and life of employees, and provides "Seazen Solution" from system protection to protection of rights and interests, from occupational safety and health to career planning and promotion.

4.1 EMPLOYMENT AND RIGHTS PROTECTION

4.2 OCCUPATIONAL HEALTH AND SAFETY

4.3 PROMOTING EMPLOYEE DEVELOPMENT



Talent Employment in 2022

As of the end of 2022, the Group had a total of **25,941** employees. The employee data by gender, age and region are shown in the table below:

	Total number of employees	Percentage
By gender		
Male (person)	16,373	63.12%
Female (person)	9,568	36.88%
By employment type		
Full-time employees (person)	25,941	100%
Part-time employees (person)	0	0
By age		
Under 30 years old (person)	8,377	32.29%
31-40 years old (person)	13,751	53.01%
41-49 years old (person)	3,392	13.08%
Aged 50 and above (person)	421	1.62%
By geographical region		
Shanghai (person)	2,742	10.57%
Jiangsu (person)	5,812	22.40%
Zhejiang (person)	2,160	8.33%
Other regions (person)	15,227	58.70%



As of the end of 2022, the employee turnover rate of the Group was 35.95%. The turnover rate by gender, age and region is shown in the table below:

	Turnover rate ¹²
By gender	
Male (%)	36.31%
Female (%)	35.33%
By age	
Under 30 years old (%)	40.94%
31-40 years old (%)	34.77%
41-49 years old (%)	26.94%
50 and above (%)	29.24%
By geographical region	
Shanghai (%)	29.87%
Jiangsu (%)	22.62%
Zhejiang (%)	57.24%
Other regions (%)	36.64%

Training Data in 2022

	Unit	2022 Performance
Training investment per capita	yuan	439.61
Online training hours per capita	hours	19.2
Percentage of male employees trained online	%	65.4
Percentage of female employees trained online	%	34.6
Percentage of senior management trained online	%	0.14
Percentage of middle management trained online	%	6.02
Percentage of general employees trained online	%	93.84
Average training hours per male employee	hours	17.43
Average online training hours of female employees	hours	14.02
Average training hours of senior management	hours	2.73
Average training hours of middle management	hours	28.76
Average hours of online training per ordinary employee	hours	15.53
Employee online training coverage	%	100

¹² Turnover rate = number of employees leaving employment during the year / (number of employees leaving employment during the year + number of employees at the end of the year) * 100%

EMPLOYMENT AND RIGHTS PROTECTION

Employment System

Seazen adheres to the principle of equal employment during the recruitment process, and strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labor* and other national laws and regulations. In terms of employee recruitment, labor, salary, training, promotion, compensation leave, vacation and other matters, the Company has formulated internal policies and management documents such as the *Recruitment Management System* and the *Employee Position Appointment Management*, and ensured the comprehensive and effective implementation.

In addition, Seazen has formulated the *Human Rights and Diversity and Inclusion Policy* applicable to all employees and part-time employees, aiming to oppose all discrimination due to gender, age, region, education background, religious belief, nationality, race, sexual orientation and disability, and eliminate the use of child labor, forced labor, overtime work, harassment and abuse by signing labor contracts in accordance with the law. For labor-related violations, once found, the Group will take serious actions, order rectification, and terminate the labor relationship in a timely manner.

Protection of Labor Rights

Seazen is committed to protecting the labor rights and interests of its employees, and provides social insurance, housing provident fund, and other basic living guarantees in compliance with applicable national laws, regulations, and local policies. We also offer a comprehensive range of benefits, such as annual physical examinations, holiday benefits, working meals, communication subsidies, vehicle subsidies, dispatch subsidies, high-temperature condolences, and home purchase discounts. To enhance the level of health protection, Seazen has purchased additional comprehensive accident insurance for all employees this year.

In September 2022, the Group held an employee representative meeting to fully listen to the opinions and suggestions of employees, and revised and issued the *Employee Handbook* (2022 version), which adjusted and updated some contents such as performance management, employee training and honorary evaluation, clarified the rights, responsibilities and obligations of both the Company and employees, effectively protected the legitimate rights and interests of employees, improved the Company's ability to manage the enterprise in accordance with the law and management level, and enhanced the unity and appeal of employees.

In addition, we upgraded the OA office system and launched the system module of "Sincere Discussion", set up relevant themes to solicit reasonable suggestions from employees, encourage employees to actively offer suggestions for the Company's development, and reward outstanding suggestions. In 2022, a total of 862 suggestions were received, and the number of employee suggestions increased significantly. The employee engagement index reached 80% in 2022.



Comprehensive accident insurance

Case

The Labor Union of the Group "Giving Cool" Activity in Summer 2022

In July 2022, the labor union of Seazen Group cared for the frontline strivers in high temperature. Relevant leaders of the Group visited the construction site of Wujin Jiaze Lake Spring Autumn Project to carry out the "Cool Delivery" consolation activity in hot weather, and distributed spring water, beverage, watermelon, towels and other heatstroke prevention and gifts to employees, and urged relevant operators to pay attention to the health and life safety under high temperature. Throughout the summer, Seazen visited 12,537 front-line employees of the companies under the Group's business division and distributed a total of RMB 634,400 in consolation money.



"Deliver Cool" Activity

Employee Care

Seazen earnestly listens to the expectations and demands of employees, effectively solves the key, difficult and hot issues that employees are concerned about, helps employees in difficulties, cares about retired and advanced employees, and continuously enhances employees' sense of achievement, happiness and security. By the end of 2022, Seazen continued to carry out warm-hearted activities for employees with major difficulties, helping 185 employees with difficulties, with a total expenditure of RMB 404,400.



Visiting employees in difficulties

Seazen is committed to creating a loving and warm environment and promoting work-life balance. Through organizing a variety of cultural and sports activities for employees, we create a strong atmosphere of happy work and healthy life, and are committed to helping employees achieve a balance between life and work.

Case Celebrating the Mid-Autumn Festival Together

In September 2022, Seazen organized a series of themed activities such as Mid-Autumn Festival topic sharing, online interesting guessing lantern riddles, customized postcards, and interactive DIY to send warm holiday blessings to all Seazen employees and create a festive atmosphere of reunion and happiness.



Mid-Autumn Festival Event

Case Activity of Cultural Month with the theme of "True Path" with Concentric Joy

In 2022, under the call of the Group, major regional companies of Seazen carried out the "True Path" theme cultural month activity with the theme of culture, epidemic prevention, mental health and public welfare. Through walking challenges, team building games and other activities, we interpreted the spirit of the trails, carried forward the strength of the thousand miles of the trails, improved the beauty and worked together.



"True Path" Theme Cultural Month

Case Seazen Staff Club

During the Reporting Period, the Seazen Staff Club was fully upgraded and launched 6 themed interest clubs, namely basketball, football, badminton, billiards, snooker and mobile games. With the support of the labor union and the Youth League Committee, each club gathered the Seazen staff who shared love and continued to organize employee activities and innovative activities, so as to provide employees with a broader stage and light up the enthusiasm of employees for healthy life.



Club sports event

OCCUPATIONAL HEALTH AND SAFETY

Seazen always cares about the health and safety of employees, continuously improves the occupational health and safety system, and effectively implements protection measures to provide effective support for daily safety supervision.

Improving the Occupational Health and Safety System

While complying with national health and safety laws and regulations such as the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Regulation on Work-Related Injury Insurances, Seazen has implemented the Three-Year Action Plan for Special Rectification of National Work Safety and the requirements of OHSAS 18000 Safety and Health Management System, formulated the Occupational Health and Safety Management Policy and the Environmental and Occupational Health and Safety Organization Control Procedures applicable to all Seazen employees, suppliers, contractors and other partners, clarified the roles, responsibilities and authorities of environmental and occupational health and safety personnel, and linked the occupational health and safety performance with the remuneration of project leaders and management to ensure the effective operation of the Company's environmental and occupational safety system and reduce the incidence of general and above safety production accidents.



Seazen's highly centralized occupational health system has passed the OHSAS 18000 safety and health management system certification and the ISO 45001: 2018 occupational health and safety management system certification in 2022. In addition, the headquarters of Seazen Holdings' business management department and four Wuyue Plazas including Nanjing Jianye Wuyue Plaza have passed the EHS management system certification. Under the supervision of the Board and the senior management, the three-level safety management structure consisting of the headquarters, regions and projects has been effectively implemented, the safety management capability has been continuously improved, and the safety responsibility system and performance appraisal system have jointly empowered Seazen to maintain a safe and stable environment.



Occupational health and safety management certification

Implementation of Measures

Seazen adheres to the safety management policy of "safety first, prevention-oriented and comprehensive management", and spares no effort to implement safety work during construction and operation. During the Reporting Period, we invested a total of RMB 97,899,300 in production safety, to continuously improve the management mechanism for emergency events to ensure proper handling of emergencies.

All construction and operation sites of the Group regularly carry out safety hazard investigation, supervision and inspection on construction sites, and entrust a third-party agency to evaluate the safety of equipment of all projects and contractors, and conduct a three-year audit of the Group's health and safety system.



Safety Inspection Site

Safety Training

In terms of safety training, Seazen is committed to continuously improving the safety protection awareness and emergency response capabilities of all employees. Through the establishment of a sound occupational health and safety training system and the provision of diversified training forms (such as safety production education such as first-aid training, regular safety and quality month, fire drills, safety skills competitions and other publicity and education activities), the Company ensures that all employees, part-time employees and contractors participate in the training and strengthens the effect of safety publicity and education. At the same time, Seazen builds a corporate internal safety culture. Through safety and quality month, fire and emergency drills, safety skills competition and other publicity and education activities, Seazen continuously improves the safety awareness of employees, and actively creates a good atmosphere of "safety in time, safety in every place, and safety in everyone".



Safety training site

Case

Project Safety Training

During the year, Seazen's Zhifu Project provided employees with safety education courses applicable to different ranks, including entry education for workers, pre-shift education for workers, safety learning for project management personnel, and pre-shift education for management personnel. At the same time, it provided safety education for working at height and safety education for construction teams for special types of work, and comprehensively and thoroughly strengthened the risk awareness of all employees.



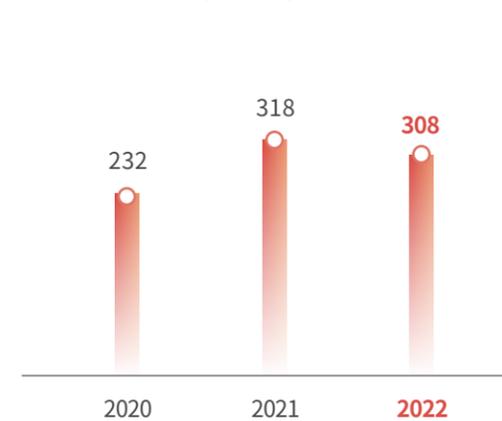
Training site

Data related to safety training in residential development stages¹³

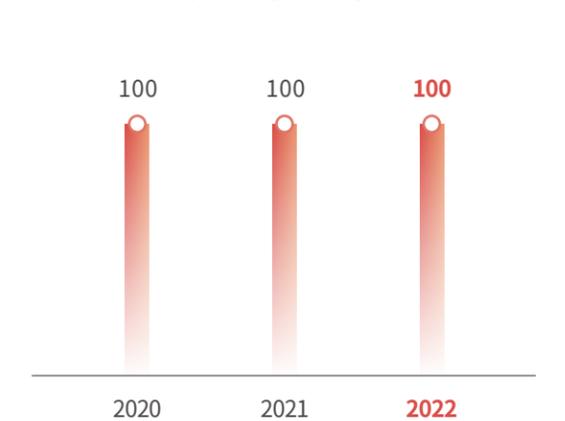
Indicators	Unit	2020	2021	2022
Safety training coverage	%	100	100	100

Safety training related data during the development stage of commercial complex¹⁴

Number of safety training sessions (Number)



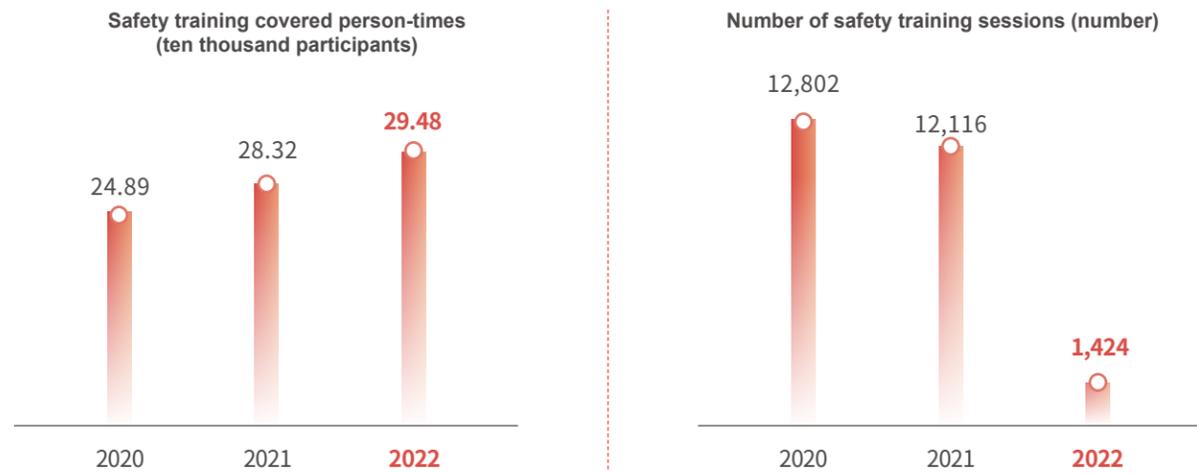
Safety training coverage (%)



¹³ The above statistics only include data related to safety training at the residential development stage of the residential development division.

¹⁴ The above statistics only include relevant data of the development stage of commercial complexes, excluding relevant data of the operation and management stage of commercial complexes.

Data related to safety training during the operation and management stage of commercial complex¹⁵



Data related to safe production during the operation and management phase of commercial complexes

Indicators	Unit	2020	2021	2022
Total investment in safe production	Ten thousand yuan	4,708.05	7,609.34	9,789.93
Number of general and above work safety accidents	since	0	0	9
Number of employees suffered from minor injuries	person	2	1	1
Number of work-related fatalities	person	0	0	1
Mortality rate per thousand	‰	0	0	0.07
Serious injury rate per thousand persons	‰	0	0	0
Lost days due to work injury	days	100	103	93
Emergencies	since	42	65	23
Safety accident	since	1	0	0
Large potential safety hazards	Item	42	28	137
Major safety hazards	Item	1	0	0
Rectification rate of safety hazards	%	100	100	100

¹⁵The above statistics only include relevant data of the operation and management stage of commercial complexes, and exclude relevant data of the development stage of commercial complexes.

PROMOTING EMPLOYEE DEVELOPMENT

Diversified Training Programs

Seazen is well aware that the development of employees is the source of Seazen. Through the regular review of the Group's Training Management System, the level matching requirements of each functional sequence are dynamically adjusted, and the diversified training content required by employees at all levels is specifically formulated, and authoritative leadership, thinking and general ability courses are introduced to help employees grow through online and offline learning platforms. In addition, we organized and carried out diversified training and development projects such as "Evergreen Plan", "Renewal Plan", "Talent Evaluation Workshop", "Xinrui Power Camp" and "Integration of New Employees" to continuously provide employees with assistance and build a high-quality talent team. During the Reporting Period, we held 1,300 training sessions for diversified employees, with a total of 1,525 participants and a training coverage rate of 99%.

Case

Evaluation and Upgrading to Help Refresh

In order to create a leading talent development system and help talents to renew, in September 2022, Seazen Organization and Human Development Center (Seazen Leadership Development Center) invited several outstanding Borui to participate in a special assessment. This evaluation workshop adopted a new development center model to comprehensively analyze itself from different perspectives. Through business case analysis, simulated performance counseling feedback and personal overall feedback, we enable everyone to have in-depth thinking from the aspects of self-cognition, leading the business and leading others. The event was well received by everyone.



Evaluation activities

Development Channel and Incentive Measures

By optimizing the "dual-channel" career development system, Seazen deeply explores the value of positions, and provides employees with more competitive professional salary and clear development path through internal talent flow methods such as the "Renewal Plan" and the "Water Plan". During the Reporting Period, we deepened the application of management tools and methods for talents, and implemented three talent development projects, namely EMT senior key talent development review project, evergreen plan and mid-level talent assessment workshop.

At the same time, we vigorously promote a diversified incentive system. The Group determines the remuneration packages of all employees (including directors) based on their individual performance, work experience and the prevailing market salary level, and promotes them with reference to their personal strengths and potentials. The remuneration packages of employees include basic salary, cash bonus and share-based compensation. We have established a long-term incentive mechanism through the *Share Award Scheme* to recognize and reward employees for their significant contributions to the long-term development of the Group in the future, align the interests of the Company with the personal interests of the management, and fully motivate the senior management and core personnel. Seazen Holdings Co., Ltd., a subsidiary of the Group, has also established the *Annual Incentive Plan* in the form of fixed salary, incentives, co-investment, restricted shares and options, etc., to continuously optimize the remuneration management system and continuously improve the ability of the enterprise to attract and retain internal and external talents.

05

COHESIVE EFFORTS TO BENEFIT THE SOCIETY

In line with the national strategy, Seazen has actively fulfilled its obligations as a corporate social citizen, adhered to it for a long time, promoted urban revitalization, practiced social welfare and rural revitalization assistance, built a bridge of love, and extended the social value of Seazen.

5.1 SUPPORTING URBAN DEVELOPMENT

5.2 "COLORFUL LIGHT PROJECT"

5.3 HAPPINESS AND HEALTH CARE

5.4 RURAL REVITALIZATION

5.5 SOCIAL WELFARE



SUPPORTING URBAN DEVELOPMENT

Seazen pays close attention to urban development and actively explores all solutions that can bring positive impact on local communities and urban construction. It has developed a series of urban renewal projects focusing on brownfield transformation and business district construction, and actively develops urban projects in four cities, namely Changzhou, Guiyang, Taizhou and Yancheng, and participates in the transformation and upgrading of the regional landscape to create a beautiful city with community public space.

Case Changzhou Hanjiang Road was upgraded and the urban renewal ushered in the "Seazen Time"

Seazen focuses on the investment and development, design and construction of commercial complexes and innovative commercial properties, and explores and incubates the "urban renewal" business. The Hanjiang Road Block in Changzhou is the first project of Seazen in the field of urban renewal. Based on the needs of modern people, the project comprehensively upgraded the public space, building image and equipment and facilities of the entire block. During the process of renewal and upgrading, we alleviated the problem of road congestion by creating a smart street; We also set up a special working group to effectively solve the problems of oil fume emission, rain, sewage and wastewater; A "three-in-one" service team consisting of streets, communities and volunteers was established to create community services. During the Reporting Period, the Hanjiang Road International Block has held 52 activities, covering 20,000 people and nearly 100 publicity reports, creating a Seazen landmark integrating "internationalization, rejuvenation and diversification" and becoming a demonstration site for the transformation of old blocks in Changzhou City.



Site view of Hanjiang Road Block

Promoting Employment

While the commercial scale continues to expand, Seazen also continues to provide employment opportunities for commercial cities. Taking the newly opened Wuyue Plaza in September as an example, Chongqing Jiangjin Wuyue Plaza brought more than 2,000 job opportunities to the region, comprehensively empowering regional economic and social development; the opening of Datong Yungang Wuyue Plaza also directly stimulated the concentrated release of more than 2,000 jobs.

"COLORFUL LIGHT PROJECT"

In 2022, the Group has launched the "Colorful Light Project", a 9-year self-owned public welfare brand, to continue the momentum and start a new chapter in public welfare travel. During the Reporting Period, we carried out public welfare innovation in education, children's health, green communities, environmental protection, humanitarian assistance, cultural engineering, sports and other segments. We organized 154 public welfare activities with 50,543 participants, and committed to building a public welfare platform that connects the whole society, and promoting the progress of society with warm power.



Education

As always, Seazen has continued its efforts to overcome the knowledge gap between cities and villages and let knowledge grow up through education support activities such as "Glorious Library".

Case Colorful Light Project-Glorious Library

From April to June 2022, Seazen successively launched the "Colorful Light Project-Glorious Library" activity in various places. The activity is linked to reading. Through donating books, reading desks and other caring materials, renovating the library, carrying out multi-color classes and other forms, it builds spiritual towers with reading, and brings knowledge and care to rural children.



Glorious Library Event

Environmental Protection

In 2022, Seazen continued to take the "New Green Action" as the starting point to organize activities such as the "Spring Planting Plan" and "Spring Sports Season", calling on everyone to join the great cause of ecological protection and jointly protect the lucid waters and lush mountains.

Case "Colorful Light Action-New Green Action-Warm Spring Sports Season"

In 2022, Seazen took the opportunity of the Spring Sports Season brand project to attract Seazen consumers, property owners and public welfare to participate in green public welfare activities. Various regions of the Seazen development segment have successively launched hiking activities, with 228,000 participants. Through online card donation, we "plant" for environmental protection, make every step "tree", and contribute to containing global warming and reducing carbon emissions.



A Warm Spring Sports Season

Case "Colorful Light Action • New Green Action – Spring Planting Plan"

In the fifth year of the "Spring Planting Program", the Group organized a large number of volunteers from all over the country to go to the ecological public welfare project base in the Tibetan Desert in Alashan, to plant green seeds together. At the beginning of the second phase of the construction action, we established the "Happy Partner Forest" on the basis of the "Seazen No. 2 Forest", and once again made our best efforts to contribute to the greening of the west. During the Reporting Period, a total of 60,000 tree seedlings were donated.



Spring Planting Program

Green Action Green Carbon Summary Data Table

Name of greening	Type of greening	Type of greening Fixed annual CO ₂ (t/m ² .a)	Green Area (m ²)	Duration of cultivation (years)	Average CO ₂ Emission Factor of Power Grid (tCO ₂ /kwh)	Green Carbon Hub (tCO ₂ e)	Waste Plastics Saving (tons)
Flower rods	Grout	0.0075	30,000	1	0.0006425	225	44.88
Saxaul trees	Grout	0.0075	30,000	1	0.0006425	450	89.76
Total						675	134.64

HAPPINESS AND HEALTH CARE

As a national brand, Seazen closely follows the pace of the times and policies, actively participates in the development of society services, and integrates the concept of active aging and healthy aging into the whole process of the Group's healthy development. Adhering to the concept of "people first, life first", the Group launched the "China Plan" to address the aging population, focusing on the development of the elderly care service system and health support system integrating medical care and health care, providing an innovative one-stop healthcare solution for the elderly.

Case Nanjing Seazen·Xinyi Hui, innovatively exploring the elderly care business

In 2022, the “Happiness Experience Project • Diversified Business Series” was launched in Nanjing Seazen·Xinyi Mall. As the first healthcare project of Seazen, the three major businesses of “Heart Care” are integrated, namely, elderly care center, healthcare apartment and healthcare hotel, aiming to create an urban healthcare complex project that is close to family, close to medical resources and close to the prosperity of urban life, and provide full-cycle integrated healthcare services. Since its opening, the occupancy rate of our care and attention homes has reached 50%, with over 92.5% of elderly reviews and satisfaction.

Building a comprehensive service system

Nanjing Seazen·Heart of Mind has created a personalized hierarchical elderly care system, built a smart health care and COVID-19 prevention system, and shaped two service systems of health care and care, providing health care solutions for the elderly throughout their life cycle. In addition to the multi-dimensional care of the professional team, the health care scene of Nanjing Seazen HeartCare Community has reached all aspects of the life of the elderly, not only through technology empowerment, but also richer cultural experience, so that the elderly can “have medical care for the elderly” and “have care for the elderly”.



Improving health care services

Nanjing Seazen • Xinyi Hui cooperated with Chunyu Hospital, an Internet hospital, to build a professional Internet diagnosis and treatment platform. Through the complementary online and offline diagnosis and treatment services and sharing of expert resources, it provides high-quality diagnosis and treatment services for the elderly. At the same time, we strengthened team building. We empowered the service team with the advantages of service hardware, financial support and resource clustering effect, and cooperated with Zhongshan Vocational and Technical College to build an industrial college to cultivate the post-90s pension service talents who are “active in the eyes, love in the heart”, and formed a unique five-in-one service system of “health and safety, art, life, care, and intelligence”.



Enriching Community Life

Nanjing Seazen·Xinyi Hui collaborated with surrounding enterprises, institutions and communities in multiple dimensions, carried out a variety of bonding activities, set up “Community Integrated Service Center for the Elderly” and “Family Doctor Workstation”, introduced community university for the elderly, enhanced the cohesion with surrounding ecology, and explored the formation of a new pattern of resource sharing, platform co-construction and brand co-cultivation.



RURAL REVITALIZATION

During the reporting period, Seazen responded to the national call, closely focused on the three key areas of industry, education and public facilities, combined with the Company’s main business and the actual needs of rural areas, and made solid and orderly progress in rural revitalization. In accordance with the work idea of “One Body with Two Wings”, we made use of the key public welfare projects of “Happy Public Welfare Market” and “Seazen Fuli Festival” under the humanitarian assistance section of Seazen’s own public welfare brand “Colorful Light Plan”, which clearly defined rural revitalization as the Group’s key work direction in the next two years and funded key supporting groups. In 2022, we invested a total of RMB 17,772,000 in financial assistance in the field of rural revitalization, achieving good social and economic benefits.

Industrial assistance to consolidate the achievements of poverty alleviation

In August 2022, in line with the policy direction of “empowering rural revitalization with cultural industry”, Seazen joined hands with Xinhua News Agency National Brand Engineering Office to help local agricultural specialty products and intangible cultural heritage products out of the mountain in the form of live broadcast, and injected cultural connotation into agricultural assistance. Deyang Wuyue Plaza, as the venue of the live broadcast of the charity bazaar, supported the live broadcast of the charity bazaar to help farmers and other assistance activities, so that more people can join the charity bazaar to bring love to the sea.



Deyang public welfare market activity

In October 2022, Seazen Fuli Festival started again in the third quarter. With the mission of “making happiness simple”, we found the front line of villages, purchased fresh chestnuts, brought the beautiful gift of the rich land to the hometown, so that local farmers can benefit from the chestnut industry. In recent years, Seazen has purchased nearly 100 tons of chestnuts through this rural revitalization assistance initiative, and has also received a thank-you letter from the local agriculture and rural bureau.



Seazen Fuli Festival, Letter of Appreciation

Education assistance and cultivation of endogenous power for rural revitalization

During the Reporting Period, Seazen invested RMB 2,000,000 and RMB 5,000,000 respectively to support the implementation of Haimen primary and secondary school campus of Xinyi Wuyue Project in Xuzhou, Jiangsu Province. It also entered into the Cooperation Agreement on Dayu School in Yanhu District and the Donation Agreement with the Education Bureau of Yanhu District, Yuncheng City to support the construction and development of culture, greening, training, venues and office equipment of Hongqi Branch of Yanhu Experimental Middle School in Yuncheng City, benefiting more than 4,500 teachers and students.

SOCIAL WELFARE

In 2022, Seazen actively participated in various social welfare activities, from assistance to pandemic prevention, to calling for a healthy life for all, to fully demonstrate its responsibility and responsibility. It was awarded the 2022 Responsibility Brand Award of this Charity Festival at the 12th Charity Festival and the 2022 Corporate Social Responsibility Carnival. During the Reporting Period, a total of over RMB 400,000,000 was invested in public welfare.

Supporting Pandemic Prevention

In 2022 when the COVID-19 pandemic intensified, Seazen actively took the lead in supporting the fight against the COVID-19. According to the emergency plan for pandemic prevention and control, Seazen organized community nucleic acid testing, distributed transportation guarantee materials, and carried out disinfection of commercial premises and other anti-pandemic actions, and made concerted efforts to protect the health of all stakeholders, demonstrating the mission and responsibility of Seazen to make progress together. In 2022, the Group called on and organized party members to donate more than RMB 1 million to support the national epidemic prevention and control. At the same time, Seazen continued to adhere to the policy of "rent half during the closure period of the epidemic" launched at the beginning of the outbreak of the COVID-19 pandemic, and fully supported the stable operation of merchants. During the Reporting Period, the rent and management fee reduction and operation support caused by the epidemic reduced the total operating income of the Company by RMB 313,000,000.

Serving employees

Professional nucleic acid testing institutions regularly stationed in the office to provide nucleic acid for all employees and ensure their health and safety

Service malls

The entrance and exit of the shopping mall shall measure the body temperature according to the regulations, check the health code and travel code; Strictly disinfect at designated points every day to build a defense line for epidemic prevention and control

Serving the community

Integrating multiple resources to purchase vegetable packs and anti-epidemic items, and distributing them to residents free of charge to fully guarantee the basic living needs of residents during the epidemic

Case

Safeguarding Together with XIN

In April 2022, the COVID-19 was raging in Shanghai. Facing the shortage of epidemic prevention materials in the society under the severe epidemic, Seazen took the initiative to respond to the government's call. The Party Committee and the trade union of Seazen Group donated more than RMB 300,000 to the society to help the epidemic prevention and control. From March to April, around 4,500 employees from Jiangsu, Shanghai, Shandong, North China (Changchun) and other regional companies joined the frontline to fight against the pandemic. With all-out efforts and manpower, Seazen fully demonstrated the efficient driving force of corporate citizens in the fight against the COVID-19.



Carry out epidemic prevention work

National Health

Case

The 6th "May Love You" Brand Carnival

In 2022, Seazen held the sixth "May Love You" event, aiming to convey goodwill and power through offline commercial space, stimulate people's passion for life, and narrow the distance between Seazen and consumers. During the event, based on the local characteristics, Wuyue Plazas in various places integrated elements such as business and culture, art, music, food, e-sports and public welfare, and presented numerous different notes of "Love Life". Seazen organized more than 1,200 events with over 60,000 participants; 130 Wuyue Plazas joined hands across the country, with total customer traffic exceeding 70,830,000.



Activity site of Wuyue Plaza

OUTLOOK

Looking ahead, Seazen will deeply integrate into the new development pattern, always pursuing the path of green and low-carbon development, and planning a grand blueprint for sustainable development in the 14th Five-Year Plan period.

Governance Strategy

The Group will prioritize the growth of its core business, enhance its internal management structure, and advance high-quality development through the implementation of more refined and improved systems, as well as practical and effective incentives and training programs.

Social Strategy

We strive to improve the well-being of the people and innovate in delivering happiness, sparing no effort in ensuring quality, quantity, and timely delivery, and continuously creating value for all stakeholders.

Environmental Strategy

The Company will proactively engage in environmental protection by vigorously promoting the development of green buildings. It will steadfastly pursue its ambition to lead the green real estate sector and contribute to the global effort towards achieving carbon neutrality.

Effective planning enables far-reaching progress, but only through practical implementation can success truly be attained. Seazen is dedicated to working collaboratively with all parties, fostering mutual growth with the city and contributing to the progress of the times.



APPENDIX I HKEX ESG REPORTING GUIDE INDEX

A. ENVIRONMENTAL

Subject Areas, Aspects, General Disclosures and KPIs		Section and Page
Aspect A1: Emissions		
General Disclosure	Information on: (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.	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P83
Key Performance Indicators	A1.1 The types of emissions and respective emissions data.	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P88
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P88
	A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P88
	A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	CONSOLIDATING ENVIRONMENTAL GOVERNANCE MANAGEMENT OF SUSTAINABLE DEVELOPMENT, P88
	A1.5 Description of emissions target (s) set and steps taken to achieve them.	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P88
	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.	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P83
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P83
Key Performance Indicators	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).	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P87
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P87
	A2.3 Description of energy use efficiency target (s) set and steps taken to achieve them.	MANAGEMENT OF SUSTAINABLE DEVELOPMENT CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P83
	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.	The Company does not have any issue in sourcing water. MANAGEMENT OF SUSTAINABLE DEVELOPMENT CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P83
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P88
Aspect A3: The Environmental and Nature Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	GREEN WHOLE-PROCESS DRIVE CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P83

Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GREEN WHOLE-PROCESS DRIVE CONSOLIDATING ENVIRONMENTAL GOVERNANCE, P73, P83
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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.	DEEPEN GREEN AND LOW-CARBON DEVELOPMENT TO PROMOTE SUSTAINABLE DEVELOPMENT RESPONSE TO CLIMATE CHANGE, P9, P69
Key Performance Indicators	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.	RESPONSE TO CLIMATE CHANGE, P69-P71

B. SOCIAL

Subject Areas, Aspects, General Disclosures and KPIs

Aspect B1: Employment

General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	EMPLOYMENT AND RIGHTS PROTECTION, P93
Key Performance Indicators	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	CARING FOR EMPLOYEES AND CREATING A DIVERSIFIED CULTURE, P91
	B1.2	Employee turnover rate by gender, age group and geographical region.	CARING FOR EMPLOYEES AND CREATING A DIVERSIFIED CULTURE, P92

Aspect B2: Health and Safety

General Disclosure		Information on (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.	OCCUPATIONAL HEALTH AND SAFETY, P96
Key Performance Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	OCCUPATIONAL HEALTH AND SAFETY, P99
	B2.2	Lost days due to work injury.	OCCUPATIONAL HEALTH AND SAFETY, P99
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	OCCUPATIONAL HEALTH AND SAFETY, P97

Social Aspect B3: Development and Training

General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work.	PROMOTING EMPLOYEE DEVELOPMENT, P100
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	CARING FOR EMPLOYEES AND CREATING A DIVERSIFIED CULTURE, P92
	B3.2	The average training hours completed per employee by gender and employee category.	CARING FOR EMPLOYEES AND CREATING A DIVERSIFIED CULTURE, P92

Aspect B4: Labor Standards

General Disclosure		Information on: (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 labor.	EMPLOYMENT AND RIGHTS PROTECTION, P93
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labor.	EMPLOYMENT AND RIGHTS PROTECTION, P93
	B4.2	Description of steps taken to eliminate such practices when discovered.	The Company is not involved in relevant non-compliance and this indicator is not applicable.

Aspect B5: Supply Chain Management

General Disclosure		Policies on managing environmental and social risks of the supply chain.	SUPPLY CHAIN SUSTAINABILITY MANAGEMENT, P60
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	SUPPLY CHAIN SUSTAINABILITY MANAGEMENT, P64
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	SUPPLY CHAIN SUSTAINABILITY MANAGEMENT, P60
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUPPLY CHAIN SUSTAINABILITY MANAGEMENT, P60
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GREEN WHOLE-PROCESS DRIVE, P63

Aspect B6: Product Responsibility

General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	STRICTLY CONTROL PRODUCT QUALITY, P43
Key Performance Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company is not involved in product health and safety due to its business characteristics.
	B6.2	Number of products and service-related complaints received and how they are dealt with.	CUSTOMER FIRST, P55-56
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	CORPORATE GOVERNANCE, P26
	B6.4	Description of quality assurance process and recall procedures.	Strictly control product quality Product recall procedures are not applicable to the Company due to business characteristics.
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	CUSTOMER FIRST, P52

Aspect B7: Anti-Corruption

General Disclosure		Information on: (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.	CORPORATE GOVERNANCE, P22
Key Performance Indicators	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.	CORPORATE GOVERNANCE, P22
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	CORPORATE GOVERNANCE, P23
	B7.3	Description of anti-corruption training provided to directors and staff.	CORPORATE GOVERNANCE, P24

Aspect B8: Community

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.	COHESIVE EFFORTS TO BENEFIT THE SOCIETY, P109
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	COHESIVE EFFORTS TO BENEFIT THE SOCIETY, P109
	B8.2	Resources contributed (e.g. money or time) to the focus area.	COHESIVE EFFORTS TO BENEFIT THE SOCIETY, P109

APPENDIX II

READER FEEDBACK FORM

Thank you for reading the Seazen Group Limited 2022 Environmental, Social and Governance Report. In order to provide more valuable information to stakeholders and improve Seazen's ability and level of fulfilling social responsibilities, we sincerely invite you to provide valuable opinions and suggestions on this report.

You may fill in the feedback form and provide feedback to us through the following methods:

Postal Address: 11 Floor, Seazen Holdings Tower B, No. 6, Lane 388, Zhongjiang Road, Putuo District, Shanghai, PRC

Email: ir@xincheng.com

1. Your overall evaluation of the Group's ESG report:

Very good Good General Poor Very poor

2. Your evaluation of the Group's performance of social and environmental responsibilities:

Social responsibility: Very good Good General Poor Very poor

Environmental responsibility: Very good Good General Poor Very poor

3. Do you think this report reflects the impact of the Group's social responsibility practices on the economy, society and environment?

Very good Good General Poor Very poor

4. What do you think of the clarity, accuracy and completeness of the information, data and indicators disclosed in the Report?

Clear: Very good Good General Poor Very poor

Accuracy: Very good Good General Poor Very poor

Completeness: Very good Good General Poor Very poor

5. Do you think the content arrangement and layout design of this report are easy to read?

Yes General No

6. Your other comments and suggestions on the Group's work and the Report:

Thank you for your feedback and precious time!

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