

# SEAZEN

HAPPY HOME  
HAPPY LIFE



seazen  
新城发展

Contact: Capital Market Division, Seazen Group Limited  
Address: Floor 11, Seazen Tower B, No.5, Lane 388,  
Zhongjiang Road, Putuo District, Shanghai, PRC  
Postcode: 200063  
Email: ir@xincheng.com

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## ABOUT THE REPORT

Seazen Group Limited (the "Company", stock code: 1030.HK) is pleased to present the 2023 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 2023, 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, 2023 to 31 December 2023 (the "Reporting Period" or "this year"), and part of this Report covers the first quarter of 2024. The environmental KPIs disclosed in the Report cover the Group's urban complex operations, and all affiliated urban complex are within the scope. There is no significant adjustment to the reporting scope compared with the 2022 *Environmental, Social and Governance Report*.

Details of corporate governance can be found in the "Corporate Governance Report" of the *Company's Annual Report 2023*.

### RESPONSE TO THE REPORTING PRINCIPLES

The Report has been prepared in line with the Appendix C2 *Environmental, Social and Governance Reporting Guide* ("ESG Guide") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK"). In preparing the Report, the Group has followed the principles of Materiality, Quantitative, Balance, and Consistency outlined in the *ESG Guide*:

**Materiality:** The Group has identified material ESG issues through communication with stakeholders and listening to their expectations and concerns, as detailed in the section "Stakeholders Communication";

**Quantitative:** Information on the standards, methodologies, and sources of conversion factors used for the reporting of emissions and energy consumption has been disclosed. For details, please refer to the section headed "Shared Prosperity and Growth to Lead a Green Future";

**Balance:** The Report provides both positive and negative information about the Company in an unbiased manner;

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

The Report also makes extensive references to the following domestic and foreign advanced disclosure guidelines:

Global Reporting Initiative: *Sustainability Reporting Standards (GRI Standards)*

United Nations Sustainable Development Goals (UN 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-ESG 5.0)*

Social Responsibility National Standard: Social Responsibility Guidelines (GB/T 36000-2015)

Shanghai Stock Exchange: *Self-Regulatory Guide for Listed Companies No. 14 - Sustainability Reporting (Pilot) (Draft for Comment)*

### 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>).

### CONTACT

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Postcode: 200063

Email: [ir@xincheng.com](mailto:ir@xincheng.com)

# PREFACE

Reflecting on the past year, the real estate sector navigated through a period of profound adjustment, with the market in an accelerated reshape amid challenging external conditions and subdued investor sentiment. This looming situation demanded greater corporate competitiveness. For Seazen, 2023 was a defining milestone, coinciding with our 30th anniversary. Throughout these three decades, we have remained true to our original aspiration and championed long-termism. Guided by the spirit of resilience, we persistently pursue a dual-wheel drive strategy of residential and commercial properties, advancing steadfastly towards the oasis we envision, in harmony with urban growth.

Over the past three decades, Seazen has diligently fulfilled social responsibility, weaving sustainability into every facet of our operations and management. By capitalizing on opportunities for green, low-carbon, and healthy development in this new era, we have steadily raised our ESG performance. In 2023, Seazen performed stunningly in ESG, evidenced by our MSCI ESG rating advancing from BB to BBB, coupled with extensive accolades like “2023 Top 10 China Real Estate Developers by Comprehensive Strength” and “Real Estate Honor List of 2022: ESG Enterprises”.

**Collaboratively, we pursue refined and outstanding management.** In 2023, we furthered institutional improvements to bolster sustainability governance. While refining our ESG policies, we clearly defined the mechanism of linking key ESG performance to the remuneration of project leaders and the management team. Our effective control over potential risks led to a record of zero defaults in the open market, strengthening the risk management function of the Audit Committee, enabling us to robustly operate and fully safeguard shareholder interests amid challenges. We commit to appointing at least one female director by 31 December 2024, to cultivate a diverse and inclusive decision management team. Upholding business ethics is a fundamental principle that we steadfastly honor. This year, we optimized our code of business conduct and management of complaints and reports, securing smooth business operations.

**Anchored in quality leadership, we endeavor to construct the industrial ecosystem.** In 2023, Seazen's focus on product diversity and business integrity ensured the successful delivery of over 140,000 properties. Wuyue Plazas now span across 135 large and medium-sized cities, with 198 urban complex projects either operational and under progress, of which 161 are already serving communities. In 2023, the Group recorded a total commercial operating income of RMB 11.3 billion. Throughout the design and construction phases, safety has been our cornerstone that guides us to build a robust product quality planning and training system, achieving a 100% coverage of the ISO 9001:2015 quality management system. We ramp up efforts in model projects. In 2023, Changge Seazen Jinyuefu won the Outstanding Residential Community Gold Award of the Tien-yow Jeme Civil Engineering Prize. We further upgraded our “Happy 360°” customer service system by introducing the new S-Enjoy service system, refining our S-Enjoy Membership, and commencing the Zhangzhou Happiness Experience Project, in a bid to deliver all-round happiness services to customers. Moreover, in 2023, our dedication to forging a responsible supply chain saw collaborations with 5,604 suppliers, achieving a 100% coverage of supplier quality training and a 100% signing rate of the “Honest Cooperation Agreement”. Customers fuel our drive towards continual progress, and suppliers stand as faithful allies as we venture into a better future. United with our value chain partners, Seazen has been marching forward unwaveringly.

**We champion shared prosperity and growth to lead a green future.** In 2023, to practice sustainability, the Group advanced the New Blue Action for green construction management, low-carbon operations, and sustainable development. This year, we advanced the development of green buildings, boasting 42 projects in total qualified for operation and formal certification as green buildings. Commercial, residential, and new construction projects achieved a 100% coverage of green buildings, with cumulatively 85 Wuyue Plazas receiving green mall labels. Notably, our flagship projects set benchmarks: Tianjin Baodi Wuyue Plaza became China's first large commercial complex to receive the Ultra-Low-Energy Building Design Label; Changzhou Tianning Wuyue Plaza was awarded a three-star certification for smart buildings; and both Changzhou Feilong Wuyue Plaza and Changzhou Seazen Jiuxi Taiyuan were awarded LEED Gold pre-certification. Seazen's dedication to green and low-carbon development has harmonized green buildings with green commerce, continually delivering healthy, green, sustainable living spaces for customers and communities.

**At Seazen, we follow a people-first approach for a harmonious working environment.** Dedicated to a healthier, safer, and more conducive working environment to employee growth, we safeguard employee rights and interests and their occupational health and safety by the law. In 2023, four of our commercial management companies were certified by the ISO 45001:2018 Occupational health and safety management systems. Our investment in work safety this year totaled RMB 110.44 million. We enhanced our learning platform, achieving 100% employee participation in online training. We escalated welfare and safeguard measures and organized more dynamic employee activities. We also continued to support our employees and vulnerable groups. This year, we provided aid to 110 employees experiencing difficulties, with funds totaling RMB 367,000, and extended condolences to 16,000 frontline employees, allocating as much as RMB 1.05 million, to safeguard the well-being of each employee at Seazen. Our eighteenth consecutive accolade as “China's Best Employer” from CHIRC, a domestic research authority on employer branding, affirms our exceptional talent management.

**Adhering to shared values, we aim for building a homeland of happiness.** We engage in urban renewal projects such as brownfield redevelopment and the development of commercial districts; Hanjiang Road has been selected as the second batch of provincial-level tourism and leisure blocks; aligning with the national strategy for addressing aging, upgrading health care services, and deepening connections between the elderly and the community. As we enter the tenth year of launching the philanthropic brand 'Colorful Light Project,' Seazen has donated 185,000 tree seedlings, greening 1.8 million square meters of desert. Simultaneously, continuing the theme of 'rural revitalization,' we have completed agricultural product procurement in 7 provinces. This year, we have organized a total of 415 public welfare activities, with nearly 290,000 participants. A total investment of 42.02 million yuan has been made in public welfare donations and rural revitalization, promoting shared prosperity with the community and creating multiple benefits for the economy, environment, and social well-being.

**Seazen firmly believes that happiness is built on a solid foundation.** On our journey to become a century-old real estate company, Seazen will forge ahead with a strategy that harmonizes happiness with growth, across time and space, for steady, high-quality, and sustainable development. We will spare no effort to ensure quality, timely delivery, and customer satisfaction. Dedicated to green and low-carbon development, we will fulfill our social responsibilities to continually create value for stakeholders. We are eager to unite more like-minded Seazen people for robust growth with the understanding and support of our stakeholders like shareholders, investors, customers, partners, property owners, and consumers. Adhering to long-term doctrine on the path to witness new developments of the industry, we will navigate through economic cycles to embrace a new Seazen towards our shared future!

Seazen ESG Committee

## Seazen's 2023

### Business Achievements

Total Assets

**377.1 billion**

Contracted Sales

**76 billion**

Revenue

**119.5 billion**

Total Commercial Operating Income

**11.3 billion**

Attributable Net Profit

**880 million**

Attributable Core Net Profit

**160 million**

Delivered

**140,000** Residential Units

### Green Achievements

Green Construction Coverage Rate for Newly Constructed Projects

**100%**

Cumulative Area of Projects Under Construction

**37.57 million** square meters

Pre-certification of LEED Gold for Residential Projects

**1** Unit

Wuyue Plaza Certified as Green Malls

**85** Unit

National Green Building Operation Label Shopping Center Projects

**4** Unit

Over the Past Three Years, the Number of Projects Awarded the National Green Building Operation Label

National Intelligent Building

**4** Unit

LEED Certifications

**12** Unit

Rooftop Distributed Photovoltaic Power Stations

Annual Power Generation Capacity

**35** GWh

Annual Green Power Traded

**135** GWh

National Green Building Operation Label for Residential Projects

**1** Unit

Pre-certification of LEED Gold for Commercial Projects

**1** Unit

**42** Unit

Ultra-low Energy Consumption Building

**2** Unit

WELL Certifications

**3** Unit

Carbon Emission Reductions

**30,000** tons

Offsetting Carbon Emissions Around

**110,000** tons

### Social Achievements

Technological Innovation

New Intellectual Property Rights Applications Filed by Real Estate Development Business Department

**122**

New Intellectual Property Rights Applications Filed by Commercial Management Business Department

**183**

Supplier Management

Signing Rate of the "Honest Cooperation Agreement" with Suppliers

**100%**

Coverage of Supplier Training

**100%**

Employee Development

Total Workforce

**22,361** employees

Coverage of Online Employee Training

**100%**

Training Investment Per Capita

**382** yuan

Safety Production

Total Investment in Work Safety

**110.44 million**

Safety Production Training

**20,095** sessions

Training Participants

**851,600** persons

Employee Coverage Rate

**100%**

Public Welfare

Investment in Public Welfare Donations and Rural Revitalization

**42.02 million**

Public Welfare Brand "Colorful Light Project"

Cumulatively Donated

**185,000** Trees

Transforming

**1.8 million** square meters of Desert

"Glorious Libraries" Benefiting

**68** Rural Schools

Donating Over

**160,000** Rural Schools

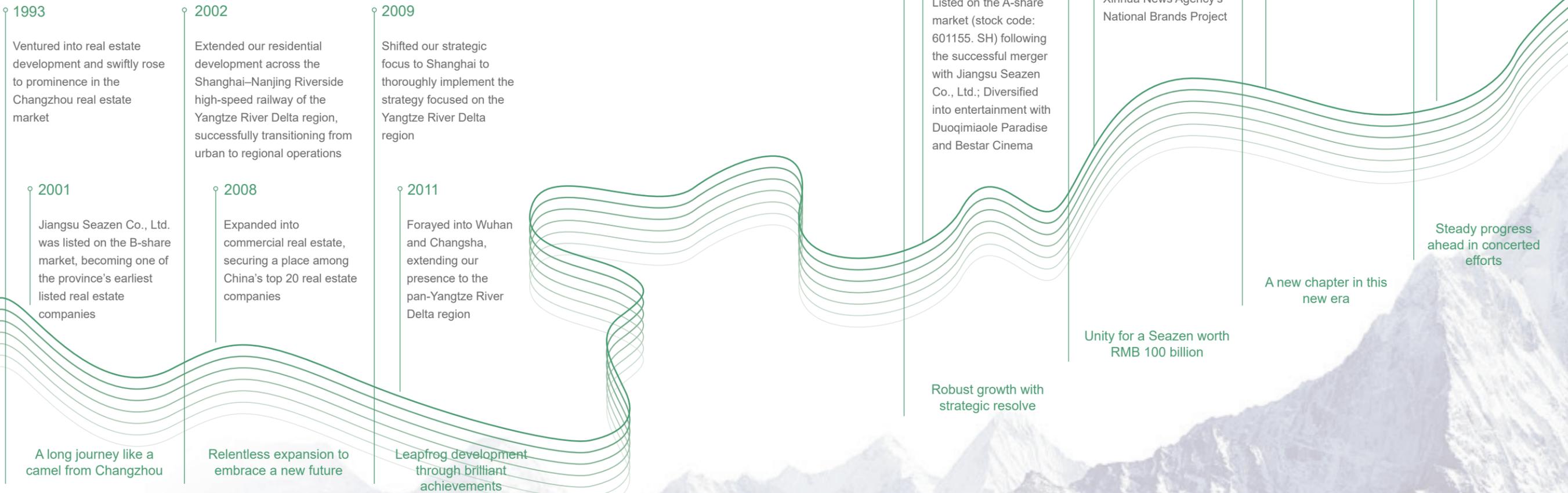
# ABOUT SEAZEN

## About the Group

Seazen Group Limited (01030. HK), founded in 1993, is an investment and operation firm dedicated to building a happy life. Our business portfolio spans residential and commercial development, commercial operations, and related equity investments and asset management. At Seazen, we strive to deliver an array of life service solutions throughout the entire lifecycle, embodying our mission: "Making Happiness Simple." During the Reporting Period, the Group boasted total assets of RMB 377.1 billion, with a green construction coverage rate reaching 100% for newly constructed projects. As of the end of 2023, the cumulative area of projects under construction reached 37.57 million square meters, all meeting the national requirements for green buildings.

Corporate Vision	Sharing joy and courtesy
Corporate Values	For the future, be willing to take responsibility, be honest and pragmatic, achieve mutual success
Corporate Gene	Camel Spirit
Corporate Spirit	Be honest and pragmatic

## Milestones in Development History



## Incorporating Sustainability into Business Operations

For over three decades, Seazen has been steadfast in green development, contributing to a harmony between mankind and nature in action. We weave sustainability into our office routines, design and development, project construction, and commercial operations. In the meantime, we champion environmental stewardship, encouraging a broad spectrum of stakeholders to embark on a collective journey towards a greener future.

Throughout these years, our commitment to openness and win-win cooperation has generated shared value with our employees, property owners, investors, partners, and suppliers. As a responsible firm, we believe in reciprocating the resources we draw from society by earning trust, acting with integrity, and contributing meaningfully to the community, so that we can facilitate harmonious and progressive societal development.

### Green operations



#### Green construction

##### Green technology upgrade

We value the R&D and innovation of green technologies to foster sustainable dwellings, living, and environment

##### Green procurement management

We embed environmental requirements into our supplier selection to bolster green procurement

##### Green residence innovation

We upgrade our Core Health 2.0 residential system to deliver green and healthy with a dual focus on Core dwellings and healthy dwellings

##### Green construction execution

We minimize our impact on air, water, and land during construction

##### Green standard improvement

We weave sustainability throughout our project lifecycles to refine our green building standards

### Energy-saving and emissions reduction

##### Energy-saving and emissions reduction management

We consistently promote green office, green construction, and green operations to minimize resource consumption

##### Wastewater and exhaust gas management

We take appropriate measures to dispose of waste water and exhaust gas generated during our construction and urban complex operations

##### GHG management

We analyze the risks and opportunities climate change poses to our business

##### Solid waste management

We minimize office waste and take appropriate measures to dispose of waste water and exhaust gas generated during our construction and urban complex operations

### People-Oriented



#### Talent development

##### Talent training

We develop a comprehensive training system for all employees

##### Career promotion

We establish a dual-channel occupation development system through management and professional ranks



#### Employee care

##### Occupational health

We offer employees free annual health check-ups, consultations, and lectures, achieving a 100% coverage of annual health check-ups for employees

##### Democratic management

We adopt the workers' congress system, provide communication channels such as face-to-face talks with the management, internal forum, WeChat groups, employee interviews, and employee service hotline, and conduct employee engagement surveys

##### Condolence and assistance

We organize activities to care for employees in significant personal hardships

### Public welfare

Seazen's public welfare brand, "Colorful Light Project", is expected to leverage corporate strength to forge a societal welfare platform, which covers seven areas: educational equality, children's health, green community, environmental protection, humanitarian assistance, cultural engineering, and sports, aiming to deliver care for those in need with with all one's heart.

seazen



### Honors and Awards

- Outstanding Residential Community Gold Award of the China Civil Engineering Zhan Tianyou Award
- 10th - 2023 Top 10 China Real Estate Developers in Comprehensive Strength
- 4th - 2023 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
- 9th - 2023 Top 10 China Real Estate Enterprises in Financing Capacities
- 2023 China Outstanding Listed Real Estate Company by Agent-Construction Operation
- 2023 Excellent ESG Practice Case by China Association for Public Companies
- 2022 Excellent Annual Performance Briefing Practice Case by China Association for Public Companies
- 16th - 2023 Top 100 China Real Estate Brands of ESG Competitiveness Evaluation and Development
- 1st - 2023 Top 10 China Green and Low-carbon Real Estate (Private) Developers
- Top 20 - 2023 China Real Estate Developers in Super Product Power
- Residential Community Model of Elite Science and Technology Award 2023
- Silver Award of Shanghai Design Awards 2023
- Silver Award of Paris Design Awards 2023
- Best Ingenuity Model Residence Award & Best Demonstration Area Design Award of GBE Real Estate Design Award 2023

## SPECIAL FEATURES

### High-Quality Delivery Demonstrates Seazen's Integrity and Good Faith

Regardless of the macroeconomic climate, Seazen has remained a bastion of trustworthiness, quality, and responsibility. We make unremitting efforts to offer property owners a deep sense of living happiness. In 2023, Seazen delivered 189 projects across 87 cities nationwide, bringing the dream of happy and secure dwellings to life for over 140,000 property owners.

Upholding the ethos of "Quality and Customer First", Seazen intricately weaves innovative architectural art with the comfort needs of our homeowners. Through enhanced quality inspections, precise measurements, and third-party process evaluations, we exert rigorous control over project quality to create ideal living spaces. Driven by integrity, we have solidified our reputation as a trustworthy real estate developer, earning us an industry acclaim for "Developed by Seazen" in 2023. Acting in good faith, the entire Seazen team stands firm at every level of quality assurance to ensure high-quality delivery.

### Model Projects across 10 Regions



Southwest China: Chongqing Dazu Seazen Wuyue Mansion



North China: Tianjin Seazen Xiyue Xitang



Northwest China: Xi'an Seazen Capital



Jiangsu and Anhui: Nanjing Seazen Yunyang Binjiang



South Central China: Changsha Seazen Guanshanyin



Shandong: Qihe Seazen Xiyue



South China: Dongguan Seazen Yulong Mansion



Southeast China: Wenzhou Seazen Oujiang Bay



Jiangsu: Changzhou Seazen Cuijun Garden



Shanghai and Suzhou: Nantong Seazen Latitude 31 Degree North

### Case: Change Seazen Jinyuefu won the 2023 Tien-yow Jeme Civil Engineering Prize

In 2023, the Changge Seazen Jinyuefu project won the Outstanding Residential Community Gold Award of the Tien-yow Jeme Civil Engineering Prize, the highest accolade in China's civil engineering field. This recognition is a testament to Seazen's unwavering commitment to excellent quality over three decades. Capitalizing on the strategic location in the eastern part of Change, Seazen set out with the ambition of setting a new standard for residential living to satisfy the trust and expectations of property owners. Since the land was secured in 2018, Change Seazen Jinyuefu has garnered a number of awards at both the provincial and municipal levels, establishing itself as a flagship project in Seazen's expansion into Central China.



Outstanding Residential Community Gold Award of the Tien-yow Jeme Civil Engineering Prize

### Tianjin Baodi Wuyue Plaza: A New Ultra-Low-Energy Building Model for Large-scale Commercial Complexes

Due to their vast scale, complex functions, and high energy consumption, large commercial complexes rank among the most challenging projects to raise energy efficiency. In March 2023, Tianjin Baodi Wuyue Plaza became China's first large commercial complex to receive the ultra-low-energy building design label, marking itself as China's first ultra-low-energy large commercial complex with an area exceeding 100,000 m<sup>2</sup>.



Tianjin Baodi Wuyue Plaza's Ultra-low Energy Building Design Label

The Plaza's innovative design has garnered international acclaim, receiving endorsements from over 20 experts

Seazen engaged over 20 esteemed architectural design experts and heads of accrediting bodies in an ultra-low-energy review. They concurred that Tianjin Baodi Wuyue Plaza, as China's first large mall to pioneer an ultra-low-energy design model, has attained a level of international prominence among projects of similar scale. It offers invaluable insights for designing and promoting ultra-low-energy mall buildings in cold climates and substantively advances our construction industry's efforts towards achieving peak carbon emissions before 2030 and carbon neutrality by 2060.



Beginning with planning and layout, the design for energy-saving and efficiency enhancement unfolded across 12 areas. Leveraging a comprehensive energy system that blends 13 energy-saving and new energy technological solutions, 6 recycling technologies, and AI-powered algorithms, the project harnesses renewable sources such as air and solar energy to meet a diverse array of energy demands like cooling, heating, and electrical power in malls, enabling the plaza to consume ultra-low energy at a level of international prominence among projects of similar scale.

The project is projected to save

**7.23** MWh  
of electricity annually

achieve a plaza-specific  
energy-saving rate of  
**45.1%**

an overall  
energy-saving rate of

**54.6%**

a renewable energy  
utilization rate of

**69.0%**

meet the ultra-low-energy criteria set out in the Technical standard for nearly zero energy buildings

cut carbon emissions  
by roughly

**5,166** tons

equivalent to a

**59.9%**  
carbon reduction rate

Offer invaluable insights for designing and promoting ultra-low-energy mall buildings in cold climates and advance our construction industry's efforts towards achieving peak carbon emissions before 2030 and carbon neutrality by 2060

Looking to 2024, we remain steadfast to a customer-centric approach, placing timely delivery, care for people's livelihood, and high quality at the forefront of our priorities. By offering premium residential products and comprehensive services, we will respond actively to the contemporary demand for a high-quality, fulfilling life.

### 天津宝坻吾悦广场

万国生态购物公园

面积约13.6万m<sup>2</sup>



• **区位择址** 天津市宝坻区潮白河北岸，链接主城、交通便捷。

• **项目特色** 天津宝坻吾悦广场结合天津万国都会建筑风格元素与宝坻潮白生态规划、自然景观，实现吾悦模型的创新提升及一体化设计。





# 01

## COLLABORATED CONSTRUCTION OF REFINED AND OUTSTANDING MANAGEMENT

Corporate Management and Compliance  
Robust Operation  
Risk Management and Internal Control  
Anti-Corruption and Anti-Bribery  
Protection of Intellectual Property Rights (IPR)

<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	

Healthy corporate governance is the foundation of Seazen's profound and sustainable development. The Group is committed to establishing a robust corporate governance system, managing potential risks, upholding integrity and compliance in business operations, safeguarding the interests of stakeholders, and contributing to the stable development of the industry with Seazen's strength.

# Solid Foundation for Corporate Governance

## The System of Corporate Governance

Seazen firmly believes that a comprehensive governance system is a key factor in corporate success. We strictly adhere to relevant laws and regulations on corporate governance, formulate internal systems and regulations applicable to enterprise development, optimize relevant mechanisms, strengthen the construction of the Board of Directors, regularly disclose information required by stakeholders, and create sustainable economic benefits.

### Regulations Followed by the Company

*Company Law of the People's Republic of China*  
*Securities Law of the People's Republic of China*  
*Corporate Governance Guidelines for Listed Companies*  
*Corporate Governance Guidelines*

### Internal Systems of the Company

*the Rules of Procedure*  
*the Rules of Procedure for the Board of Directors*  
*the Rules of Procedure for the Board of Supervisors*  
*Foreign Investment Management System*  
*Guarantee Management System for External Parties*  
*Internal Control System*

*the Independent Director Working System*  
*the Working Rules for the President*  
*the Information Disclosure Management System*  
*the Insider Information Registration Management System*  
*the Seazen Holdings Related Party Transaction Management System*  
*the Seazen Development Complaint and Reporting Management System*

### The Governance Structure of Seazen



#### The Board of Directors of Seazen



### Diversified Management of the Board of Directors

The Group has adopted a policy of diversity for the members of the Board of Directors. The Nomination Committee of the Board of Directors, from a perspective of diversity, comprehensively evaluates factors such as gender, age, educational background, skills, knowledge, and professional experience of the Board of Directors members, enabling candidates to bring unique advantages and contributions to the Board of Directors. The Group attaches great importance to gender diversity on the Board of Directors and is committed to appointing at least one female director by 31 December 2024, to create a decision-making and management team that is diverse and inclusive.

In 2023, Seazen convened six meetings of the Board of Directors, six specialized committee meetings of the Board of Directors, and two shareholders' meetings.

### Diversified Composition of the Board of Directors

Position	The composition includes <b>3</b> independent non-executive directors	<b>2</b> executive directors	<b>2</b> non-executive directors
Term of Service	There are <b>3</b> members with terms ranging from five to ten years	<b>4</b> with terms of more than ten years	
Education Background	There is <b>1</b> member with a doctorate degree	<b>4</b> with master's degrees	<b>2</b> with bachelor's degrees or below
Gender	There are <b>7</b> male members	<b>0</b> female members	

### Management of Related Transactions

Seazen strengthens mechanisms and system construction to ensure that related party transactions do not harm the legitimate rights and interests of the Company and non-related shareholders. The internal audit department of the Company is responsible for reviewing the adequacy and reasonableness of related party transactions and internal monitoring procedures and submits the review results 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* combined with its own circumstances in accordance with the *Company Law of the People's Republic of China* and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, among other laws and regulations. It effectively regulates the processes and decision-making procedures for declaration, announcement, annual review, and independent shareholder approval of related parties and related transactions. In 2023, all related party transactions conducted by the Group complied with the relevant system requirements, fulfilling the corresponding decision-making procedures and information disclosure obligations.

### Management of Information Disclosure Transparency

The Company strictly adheres to relevant laws and regulations, fulfilling its obligation for regular disclosure to enhance transparency. In 2023, Seazen and its subsidiaries collectively published 6 regular reports and 128 interim reports, actively disclosing significant business activities and financial performance of the Company, safeguarding the legitimate rights of all parties to information, and promoting the effective dissemination of information.

Risk Management

Seazen continues to establish a sound risk prevention and control governance system, constructing a “Three-Line of Defense” risk management model. Starting from risks in investment expansion, preliminary investment and construction, design and development, marketing management, procurement engineering, finance, labor force, public sentiment, and customer relations, the Company has formulated tools such as the *Risk Management System* and *Risk Early Warning System*, risk control lists, risk manuals, risk inspection standards, and training materials to continuously enhance the ability to prevent and respond to risk events. In 2023, to effectively reduce risks and ensure stable operation, the Group completed a total of 68 audit tasks, identifying 189 issues, with a completion rate of rectification reaching 87%.

Seazen’s development continues to strengthen risk management, further optimizing the functions of the Audit Committee under the Board of Directors. This includes monitoring the Company’s financial controls, risk management, and internal control systems at least annually, discussing risk management and internal control systems with management to ensure the Board of Directors fulfills its responsibilities. It involves researching important investigation results regarding risk management and internal control matters, as well as management’s responses to investigation results. Additionally, it entails enhancing measures to prevent and address potential inappropriate behavior among company employees and continuously refining internal risk management procedures.

The “Three-Line of Defense” Risk Management Model and Responsibilities of Entities



Procedures of Risk Management



The Group utilizes digital tools to strengthen risk management and control, establishing a digital risk management information system. This system integrates data on project risks, significant risks, and others to enhance the objectivity of monitoring data. It achieves functions such as risk execution monitoring, standardized risk control opinion output, and automatic risk alert push notifications. These enhancements improve the monitoring, analysis, and response effectiveness to various types of risks.

Seazen Holdings, a subsidiary of the Group, has effectively reduced legal risks and enhanced corporate reputation and market competitiveness through the establishment of a comprehensive legal risk management and compliance system. In 2023, Seazen Holdings continued to strengthen legal risk training by launching 50 online courses. These courses, utilizing a “micro-video” format, included the recording of 125 construction engineering courses. Additionally, collaboration with external lawyers led to the innovation of legal training methods, effectively enhancing employees’ legal awareness and risk management capabilities, and promoting the construction of a compliance culture.

Business Ethics

Seazen is committed to continuously cultivating a proactive and healthy integrity ecosystem and a culture of integrity.

Anti-Corruption and Integrity System

As an executive member of the China Enterprise Anti-Fraud Alliance, the Group strictly complies with a series of laws and regulations, such as the *Oversight Law of the People’s Republic of China*, *Anti-Money Laundering Law of the People’s Republic of China*, *Law of the People’s Republic of China on Anti-Unfair Competition*, *Company Law of the People’s Republic of China*, the *Bidding Law of the People’s Republic of China*. The Group has formulated the *Code of Business Conduct* applicable to Seazen Holdings headquarters, two major business units, diverse businesses, and various regional, city, and project companies, as well as all management and employees (including part-time employees). This code clearly stipulates requirements for anti-fraud, anti-bribery, and anti-corruption measures, and rigorously addresses corruption issues in accordance with the *Employee Code of Conduct* and other relevant provisions. Seazen Holdings, a subsidiary of the Group, has also established the *Anti-Bribery and Anti-Corruption System*, *Audit and Supervision Management Measures*, *Conflict of Interest Management Measures*, and *Gifts and Hospitality Management Measures*, continuously improving the construction of relevant systems for business ethics. The Group has built a multi-level anti-corruption governance system led by the Board of Directors. In 2023, Seazen Holdings’ Shanghai branch again successfully obtained the ISO37001 certification for the international anti-bribery management system, marking the great honor of being recognized by an international authority.

Key Points of Anti-Fraud, Anti-Bribery, and Anti-Corruption in the *Code of Business Conduct*:

- We strictly adhere to national laws and regulations and reference certification requirements such as the ISO 37001 *Anti-Bribery Management System* to establish an integrated management system and formulate employee code of conduct and an all-staff risk management system.
- We maintain a “zero tolerance” approach towards fraudulent activities. Every three years, we conduct an occupational ethics audit covering all business operations of the Company, strictly prohibiting employees from engaging in, participating in, supporting, or condoning any actions that may harm the interests of the Group.
- We organize employees to conduct professional ethics evaluations and integrity perception surveys at least once every two years, achieving 100% coverage of all staff members.
- We sign Integrity Cooperation Commitment with suppliers, business partners, and other collaborators to ensure that no bribery or corruption occurs during the fulfillment of contracts.



Seazen ISO 37001 Anti-Bribery Management System Certification Award Ceremony

In addition, the Group has established a comprehensive internal control and audit supervision system, which strictly regulates violations and corruptions such as bribery, embezzlement, and fraud. Regular audit supervision activities are conducted to ensure completion of audits every one to two years, achieving 100% coverage of frontline audit work. During this reporting period, the Group conducted a total of nine special audit reports aimed at directors and senior executives. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.



Anti-Corruption and Integrity Governance System

Seazen extends its anti-corruption requirements to all suppliers and contractors, clearly defining responsibilities for both parties. All collaborating suppliers are required to sign the "Sunshine Clause" and "Integrity Cooperation Commitment," with a 100% signing rate achieved. We demand that during the fulfillment of contracts, a cooperative relationship based on honesty, integrity, and self-discipline is maintained. Suppliers are also required to conduct business ethics training, cooperate with the Group's relevant research, and actively report



Seazen won the Integrity and Compliance Innovation Award of Private Enterprises

instances of fraud, bribery, and corruption as outlined in the *Supplier Code of Conduct*. Concurrently, we strengthen supplier control measures, advancing efforts to enhance the completeness of the supplier blacklist. Currently, 321 suppliers have been blacklisted, and 35 suppliers have been placed under monitoring, as we strive to create a transparent and healthy collaborative ecosystem.

### Whistleblowing and Complaint Mechanism

To create an integrity-focused environment at Seazen, the Group has established a reporting and complaint mechanism, covering internal corruption, solicitation of kickbacks, bid manipulation, favoritism, and other violations of rules and regulations. We have stipulated comprehensive regulations such as the *Employee Code of Conduct* and the *Seazen Development Complaint and Reporting Management System*. We have publicly disclosed the *Complaint and Reporting Confidentiality System*, reporting channels, and measures to protect whistleblowers' rights, strictly prohibiting any form of retaliation against whistleblowers and audit supervision personnel. In 2023, the Group achieved 100% comprehensive coverage of anti-corruption culture promotion through public accounts, cooperation partner service platforms, and text messages. We issued integrity risk advisory letters to all partners, encouraging them to report any unethical behavior to the Group's Audit and Supervision Center.

The Group solemnly commits to anti-corruption measures

- Providing a response to reports within 24 hours
- Issuing preliminary investigation conclusions within three working days
- Upon recovery of losses to the Company's account, the Audit and Supervision Center contacts the whistleblower within ten working days to arrange reward distribution. As of 2023, over 40 rewards have been distributed, totaling more than RMB 1 million.
- If there are doubts about the investigation process of complaints and reports, or if the investigators themselves engage in misconduct, the parties involved can directly report the issue to the Company through the dedicated email address: fzjb@xincheng.com.

Additionally, the Group strictly implements protection measures for whistleblowers, prohibiting the disclosure of reported matters, investigation details, and any information related to whistleblowers. Any form of retaliation against whistleblowers and audit investigation personnel is strictly prohibited. We ensure that the Company conducts cooperation and communication with all stakeholders at a high standard of business ethics. Furthermore, we publish on the official website the channels for reporting complaints and the measures for protecting whistleblowers to safeguard the information security of whistleblowers and anti-corruption investigators. Detailed provisions for the protection of whistleblowers are outlined in the *Complaint and Reporting Management System* and the *Employee Code of Conduct*:

- 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.

<sup>1</sup>For more details, please visit the Integrity Building section on the Seazen's official website: <http://www.seazengroup.com.cn/development/effortsIntegrity.html>

Multiple Channels for Whistle-Blowing

Internal Channel:  
Internal network

Hotline:  
021-3252 2898

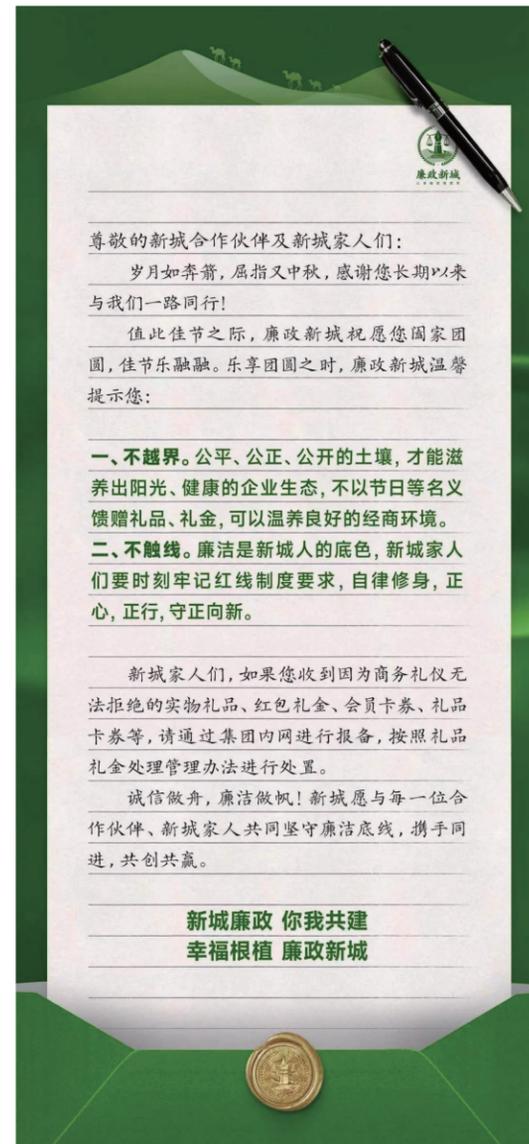
WeChat:  
Lianzhengxincheng  
(Integrity Seazen)

Email:  
jubao@xincheng.com

Mailing Address:  
Audit and Supervision  
Center, Tower A, Seazen  
Holdings Building, No. 6,  
Lane 388, Zhongjiang Road,  
Putuo District, Shanghai.

Improvement of Business Ethics Awareness

In 2023, the Group actively conducted activities such as the Seazen Integrity Governance Culture Theme Promotion Month, providing integrity education to directors, management, all employees (including part-time employees), suppliers and contractors, partners, and other stakeholders, achieving a coverage rate of 100%. We distributed the *Integrity Seazen Introduction Handbook* to all employees, systematically explaining the integrity culture system and introducing key integrity events at Seazen. Additionally, we utilized the WeChat platform to release integrity notices, comprehensively promoting awareness and consciousness among staff. Furthermore, we initiated integrity advocacy campaigns with our partners, jointly building a line of defense against risks and collaborating for long-term development.



A Letter to Partners

In 2023, the Group completed

**72** face-to-face integrity training sessions

reaching

**17,700** participants

achieving

**100%** coverage of employees

Seazen Anti-Corruption Training in 2023

Number of directors participating in anti-corruption training

**2** members

Coverage rate of anti-corruption training of directors (including independent directors)

**40%**

Coverage rate of anti-corruption training of directors (excluding independent directors)

**100%**

Average hours of anti-corruption training per director (including independent directors)

**2.7** hours

Average hours of anti-corruption training per director (excluding independent directors)

**6.8** hours

Number of employees participating in anti-corruption training

**17,672** persons

Average hours of anti-corruption training per employee

**1.8** hours

Signing rate of the *Clean and Self-discipline Commitment* among employees

**100%**



Case: Seazen integrity governance culture theme promotion month

During the themed month in August, various business units and regions spontaneously organized a diverse range of anti-corruption and integrity culture activities, including integrity culture promotion, posting warning messages, calligraphy and painting exhibitions, and fun sports events. To strengthen the employees' ideological stance, the Audit and Supervision Center, in collaboration with the Group's Human Resources Department, organized visits for Group executives to the Minhang Integrity Culture Museum. By immersing employees in the stories of revolutionary martyrs, the activity aimed to instill a sense of integrity, resulting in a trickle-down effect. In order to listen to the voices of frontline staff, leadership conducted face-to-face integrity promotion activities, featuring educational videos, integrity surveys, and on-site discussions to understand frontline staff's perspectives and gather suggestions for enhancing integrity-construction efforts.



Leaders' Face-to-face Lesson



Learning Visit



Warning Poster Poster of the Themed Month

## Intellectual Property Rights

Seazen fully recognizes the importance of IPR in promoting the dissemination and application of technological achievements and protecting the innovation outcomes of enterprises. The Group, in line with the *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Intellectual Property Rights Law of the People's Republic of China*, *Patent Law of the People's Republic of China*, *Law of the People's Republic of China on Anti-Unfair Competition*, and other national laws and regulations, has established a complete IPR management system based on its actual conditions. Seazen Holdings, the Group's subsidiary, has established the *Seazen Holdings Group IPR Management System* as well as related operational guidelines such as the *Seazen Holdings Trademark Registration Application Operation Guide*, *Seazen Holdings Copyright Application Operation Guide*, and *Seazen Holdings Patent Application and Correction Operation Guide*. These guidelines regulate the application, utilization, and protection of IPR.

As the Group continues to grow in scale, expand regionally, and upgrade industries, the demand for software programs and external material output has been increasing steadily. In response, the Group has issued the *Notice on the Use of Genuine Software* and the *Notice on Standardizing the Use of External Material Fonts*, regulating the use of computer software and fonts. These measures effectively prevent and control related infringement risks.

Seazen has issued the *Notice on Rewarding Employee Patent Applications* to promote the development of Group IPR achievements in aspects of exploration, application, operation, and protection as well as encourage inventions and innovations among employees. This approach includes setting up incentive measures to reward employees who generate significant intellectual outcomes during work and apply for patents, aiming to create self-motivation among employees for innovation.

### In 2023

The Real Estate Development Business Department has added



14 new trademark applications



108 patent applications

The Business Management Business Department has added



183 new IPR applications



148 trademarks



34 patents



1 copyright

## Management System of Sustainable Development

### Sustainable Development Governance

To strengthen the systematic and standardized management of sustainable development efforts, Seazen established an ESG management framework in November 2020, covering the Board of Directors, the Environment, Social, and Governance Committee (ESG Committee), the ESG Working Group, and various functional departments. This framework clarifies the responsibilities at each level and promotes the efficient implementation of ESG initiatives. In terms of institutional safeguards, Seazen has developed an incentive system linking sustainable development performance with the compensation of senior management. Clear requirements have also been outlined in the *Stock Option and Restricted Stock Incentive Plan* to provide impetus for sustainable development and enhance the balance and effectiveness of ESG decision-making.



### Statement of the Board of Directors

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

- The Board of Directors**
  - As the highest decision-making unit, the Board of Directors is responsible for determining the ESG management framework and strategies of the Company. It places importance on setting ESG goals and regularly tracks and supervises the progress of these goals. The Board of Directors ensures the establishment of appropriate and effective ESG risk management and internal control systems. Additionally, it reviews and approves the annual ESG report of the Company.
  - The sustainable development report for the year 2023 was reviewed and approved by the Board of Directors on March 27th, 2024.
- The ESG Committee**
  - As the highest authority in ESG management, the Committee reviews the Company's ESG responsibilities, vision, strategies, frameworks, principles, and policies. It strengthens the importance assessment process to ensure the continuous implementation of ESG policies approved by the Board of Directors.
  - The Committee supervises the Company's communication channels and methods with stakeholders to protect the Company's reputation.
  - The Committee examines ESG major trends and related risks and opportunities. It updates ESG policies when necessary and ensures compliance with applicable laws, regulations, regulatory requirements, and international standards.
  - The Committee reviews the Company's ESG goals and regularly reviews the progress of ESG goal achievement.
  - The Committee monitors the assessment of the Company's business impact on the environment and society and makes recommendations to the Board of Directors.
  - The Committee reviews the Company's annual ESG report and proposes specific actions or decisions for the Board of Directors to consider maintaining the integrity of the ESG report.
- The ESG Working Group**
  - The ESG Working Group implements specific ESG work and monitors and assists various departments in achieving ESG goals based on the ESG work plan developed by management.
  - The ESG Working Group identifies ESG-related risks and opportunities, track changes in relevant laws and regulations, regulatory requirements, and domestic and international standards, and reports to management on a regular basis.
  - The ESG Working Group collects, analyzes, and compiles ESG data and information on a regular basis.
  - The ESG Working Group prepares the annual ESG report and submits it to management for review.

## Sustainable Development Strategy

Seazen adheres to the United Nations' 2030 Sustainable Development Goals (SDGs) as guiding principles and makes responsible commitments to sustainable development. These commitments guide the Group's annual ESG efforts, and this report responds to the progress and achievements related to these commitments.

Chapters	The UN Sustainable Development Goals (SDGs)	Sustainable Development Commitments	ESG Issues of Concern
Chapter 1: Collaborated Construction of Refined and Outstanding Management		<p>We maintain a “zero tolerance” attitude towards corrupt behavior:</p> <ul style="list-style-type: none"> <li>Opposing commercial bribery;</li> <li>Developing legal support policies under the Company's whistleblower protection policy, enacting relevant measures, and publishing legal support channels on the official website;</li> </ul> <p>We maintain an open and effective reporting mechanism, fostering a culture of integrity within Seazen with all employees and partners</p>	<p>Corporate management and compliance</p> <p>Robust operation</p> <p>Risk management and internal control</p> <p>Anti-corruption and anti-bribery</p> <p>Protection of IPR</p>
Chapter 2: Quality Leadership for the Construction of Industrial Ecosystem		<p>We maintain strict screening and management of suppliers:</p> <ul style="list-style-type: none"> <li>Ensuring suppliers meet or exceed the Company's supplier standards (including requirements for construction quality and safety, sustainable development, etc.);</li> <li>Developing policies and measures for supplier quality inspections (including indirect suppliers) and enhancing third-party audits;</li> <li>Increasing the coverage of suppliers' business ethics training;</li> <li>Collaborating with suppliers to create safe, disaster-resistant, and sustainable commercial and residential properties</li> </ul> <p>We adhere to the “Happy 360°” customer service system throughout the entire life cycle, ensuring the health and safety of homeowners and consumers:</p> <ul style="list-style-type: none"> <li>Developing marketing policies, internal control procedures, and training programs for responsible marketing and strict control of false advertising;</li> </ul> <p>Enhancing overall customer satisfaction</p>	<p>Customer service and satisfaction</p> <p>Customer privacy and information security</p> <p>Responsible marketing</p> <p>Green procurement</p> <p>Responsible supply chain management</p> <p>Industry development</p>

Chapters	The UN Sustainable Development Goals (SDGs)	Sustainable Development Commitments	ESG Issues of Concern
Chapter 3: Shared Prosperity and Growth to Lead a Green Future		<p>We adhere to environmental protection and energy conservation approaches, and continuously promote green building construction:</p> <ul style="list-style-type: none"> <li>By 2025, we will reduce greenhouse gas emissions, energy consumption, and water usage (i.e., emission intensity) per million yuan of urban complex rental and management fee income by 10% (based on the 2020 baseline);</li> <li>Developing a green building certification program with a commitment to achieving 100% green building coverage for new projects by 2024;</li> <li>Promoting the use of renewable energy, aiming for a renewable energy utilization rate of over 8% for new Wuyue projects by 2024;</li> <li>Advocating for the establishment of environmental management systems at the commercial property level;</li> </ul> <p>We develop feasible plans and solutions for urban renewal, affordable housing and commercial projects, and brownfield redevelopment.</p>	<p>Green building design and promotion</p> <p>Waste management and pollution prevention</p> <p>Improvement of energy efficiency and utilization of renewable energy</p> <p>Conserving water resources</p> <p>Addressing climate change</p> <p>Reducing greenhouse gas emissions</p> <p>Green operation and office practices</p> <p>Supporting urban renewal</p> <p>Balancing development with ecological conservation</p> <p>Green finance</p>
Chapter 4: Following a People-Oriented Approach for a Harmonious Working Environment		<p>We adhere to ensuring the health and safety of our company employees:</p> <ul style="list-style-type: none"> <li>Committed to achieving zero work-related injuries and fatalities;</li> <li>Implementing supplier health and safety standards equivalent to those of our company employees;</li> </ul> <p>We promote safe and civilized construction, creating a secure and protected construction environment.</p>	<p>Compliance with employment regulations and protection of human rights</p> <p>Employee training and development</p> <p>Employee remuneration and benefits</p> <p>Occupational health and safety</p>
Chapter 5: Shared Values for Building a Homeland of Happiness		<p>We adhere to building safe, disaster-resistant, and sustainable business and residential properties:</p> <ul style="list-style-type: none"> <li>Enhancing construction management and safety risk control capabilities, advancing projects eligible for ISO9001 quality management system certification;</li> <li>Employing third-party inspection agencies to conduct full-process quality supervision of eligible project construction processes.</li> </ul> <p>We adhere to the “Colorful Light Project” public welfare platform:</p> <ul style="list-style-type: none"> <li>Actively undertaking corporate social responsibility, continuously carrying out public welfare activities.</li> </ul>	<p>Sustainable business model</p> <p>Product safety and quality</p> <p>Innovation and digital products</p> <p>Community communication and integration</p> <p>Promotion for regional development</p> <p>Rural revitalization services</p>

## Sustainable Development Policy

Seazen has formulated a sustainable development policy applicable to the Group, clearly outlining ten major directions. These directions guide us in implementing the concept of sustainable development in various aspects of production and operations.



To drive the sustainable development policy forward, Seazen has simultaneously formulated relevant policies targeting multiple issues in the environmental, social, and governance domains. These policies outline the development priorities for each issue area.



## Stakeholders Communication

For Seazen's development, material issues refer to key factors that can currently or in the future impact our achievement of sustainable development goals. When defining and managing sustainable development issues related to business and stakeholders' interests, we consider a comprehensive range of opinions from both within the Company and external sources.

Seazen highly values stakeholder communication, fully understanding their opinions and concerns, considering them as the foundation for ESG work. The Group has established multi-channel and regular communication and feedback mechanisms with various stakeholders. Based on stakeholders' opinions, the Group timely updates and adjusts its sustainable development strategies, advancing jointly with all parties involved.

During this reporting period, the Group has intensified its communication with investors, conducting a total of 103 investor relations activities throughout the year. Other activities include participating in 30 brokerage strategy meetings, conducting 33 company roadshows, organizing 29 company and project surveys, and hosting 11 conference calls. Through these interactions with investors, the Group aims to maintain long-term trust between investors and the Company, as well as to timely and comprehensively showcase the Company's value.

Categories and Communication Channels of Stakeholders

Stakeholders	Communication Channels and Means	Expectations & Requirements	Our Responses
Government and Regulatory Institutions	Regulatory inspections Project collaborations Meeting communications	Adhering to national policies Supporting economic development Operating in compliance with laws and regulations	<ul style="list-style-type: none"> <li>Actively implementing national policies, managing compliance, providing more job opportunities, paying taxes on time, and participating in charitable activities</li> <li>Driving development with a dual focus on "residential + commercial" sectors and actively explore and implementing innovative business models such as the "Citilink Xingli" hotel series, "Caring &amp; Sharing" care services, Wusheng Energy, Starwing Space, and construction management services</li> <li>Promoting urban renewal and collaborative construction to drive regional economic development and prosperity</li> </ul>
Shareholders and Investors	Information disclosure Shareholders' meeting Investor relations activities Sustainable development index rating	Ensuring shareholders' rights and interests Improving corporate governance Information compliance disclosure	<ul style="list-style-type: none"> <li>Maintaining sustainable profitability of the Company, and ensuring shareholder returns</li> <li>Conducting shareholders' meetings through on-site and online platforms to facilitate shareholders' participation and strengthen shareholders' engagement</li> <li>Forming a scientific and effective division of responsibilities mechanism to regulate information disclosure and other related matters</li> </ul>
Employees	Workers' Representative Union/Trade Union Employee training Employee care activities Democratic management channel Complaints and feedback	Protecting employees' rights Smooth career pathways Care for employees with sincerity	<ul style="list-style-type: none"> <li>Ensuring equal and legal employment, democratic management, protecting basic employee rights, and building a brand image as an employer</li> <li>Strengthening occupational health and safety management, and promoting occupational health and safety education</li> <li>Enhancing occupational training and establishing a "dual-channel" occupational development system, among other initiatives.</li> <li>Organizing corporate and trade union cultural activities</li> </ul>
Customers	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"> <li>Perfecting the quality supervision management system to control product quality throughout the process</li> <li>Providing environmentally friendly and healthy products</li> <li>Deepening the construction of a smart business to optimize the customer experience</li> <li>Continuously building a Seazen service system to help upgrade the living experience of our customers</li> </ul>
Partners	Project collaboration communication and negotiation Assessment and investigation Business communication and visiting	Keeping commercial commitments Improving transparent procurement Driving industry development	<ul style="list-style-type: none"> <li>Fulfilling economic contracts in accordance with the law and adhering to the principles of fair trade</li> <li>Establishing a large-scale procurement system, strengthening supplier management, convening supplier conferences, and focusing on supplier training, among other initiatives</li> </ul>
Environment	Environmental protection cooperation Participation in activities	Promoting residential industrialization process Reducing environmental impact	<ul style="list-style-type: none"> <li>Exploring and practicing precision-built modular systems</li> <li>Implementing green construction and fully integrated decoration management, emphasizing green office practices, and implementing cost reduction and efficiency enhancement measures</li> <li>Strengthening energy management, strictly controlling the three wastes produced during commercial operations, increasing the degree of resource recycling; Implementing green construction and fully integrated decoration management, emphasizing green office practices, and implementing cost reduction and efficiency enhancement measures</li> <li>Actively responding to climate change risks and opportunities</li> </ul>
Society	Industry forums Community communication and activities Media communication	Promoting rural revitalization Practicing social welfare Responding to emergencies	<ul style="list-style-type: none"> <li>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</li> <li>Continuing to carry out the "Colorful Light Project" brand public welfare projects, covering seven major areas including educational equality, children's health, green community, environmental protection, humanitarian assistance, cultural engineering, and sports</li> </ul>





# 02

## QUALITY LEADERSHIP FOR THE CONSTRUCTION OF INDUSTRIAL ECOSYSTEM

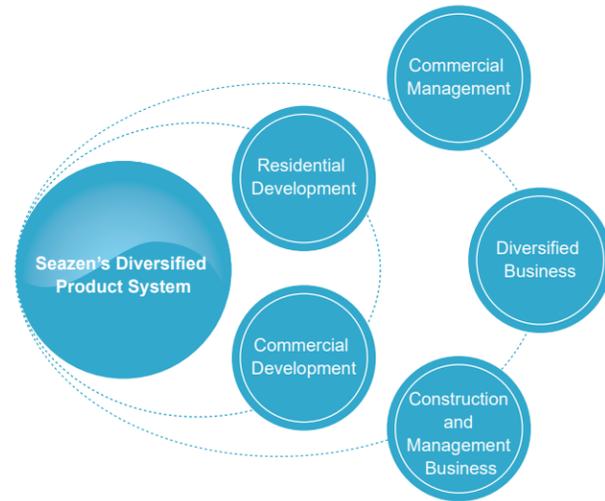
Customer Services and Satisfaction  
Customer Privacy and Information Security  
Responsible Marketing  
Green Procurement  
Responsible Supply Chain Management  
Industry Development



In recent years, the increasing market demand for better residential experiences has prompted the real estate sector to refocus on quality, heralding a new competitive era of product strength. Having been dedicated to greater product strength for thirty years, Seazen aims to enrich customer lives with a diverse product ecosystem. In tandem, by joining hands with like-minded value chain partners, we bolster ESG management and forge enduring partnerships, progressing confidently on the path to sustainability. Together with elite brands, we are at the forefront of promoting a healthy and positive industry.

## High-Quality Diversified Product Ecosystem

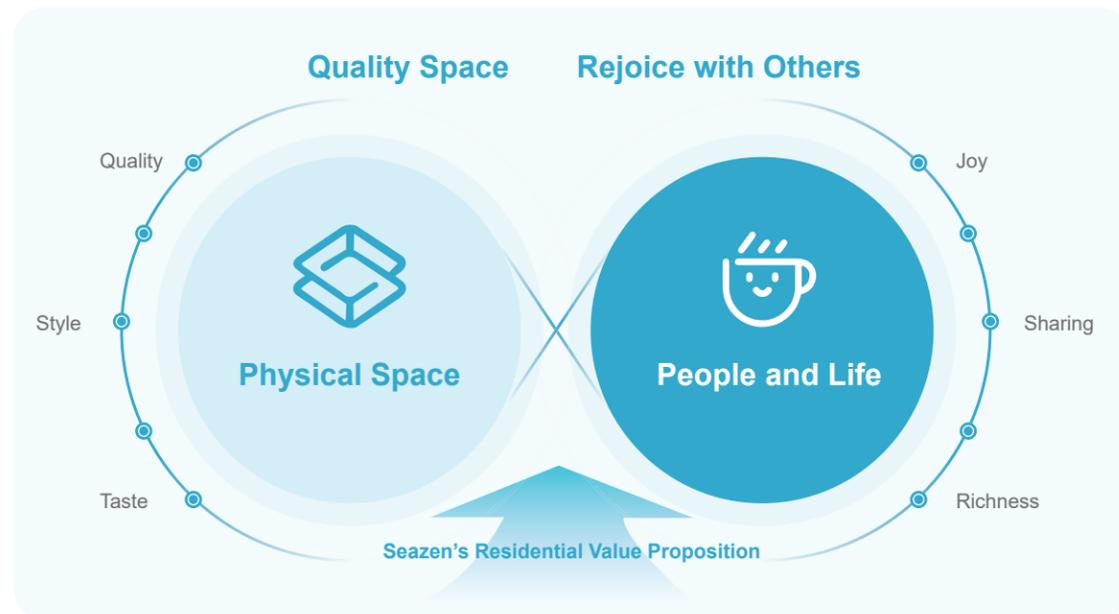
For three decades, Seazen has been developing real estate into an industry of happiness, fueled by a dual-wheel focus on "residential + commercial" real estate. Under the guideline of "steady progress, deep regional engagement, operation priority, and empowerment with science and technology", we strive to fulfill the various needs of our customers throughout their life stages. By offering a diverse array of idyllic living spaces, we create vibrant, fulfilling communities to elevate residential quality.



### Residential Development

Diverse Living Solutions for Make Happiness Simple

As a pivotal contributor to China's century-long strategy and technological innovation for residences, Seazen remains steadfast in its customer-first mission, consistently leading the industry by example with superior living products and services. In response to varied customer needs, Seazen has thoughtfully curated a selection of living cultures, forming three product lines: New Chinese Style, Metropolitan, and Modern Minimalist. They adeptly condense a nuanced blend of residential cultures, bridging the past and present, East and West, with a higher aspiration to popularize Chinese culture. Catering to diverse lifestyles, our portfolio of nine product lines covers the Joyful Living series for the trend-conscious youth, the Dream Fulfillment series targeting upgraded residential experience, and the Exclusive Enjoyment series for seekers of quietness and comfort. Anchored in Shanghai and extending through the core Yangtze River Delta to the Pearl River Delta, Bohai Rim, and central and western regions, our 1+3 strategic layout has served over 700,000 families with exceptional residential properties, garnering widespread acclaim.



### Commercial Development

Seazen's Dual-wheel Strategic Ambition

As urbanization evolves, Seazen has intensified the acquisition and development of urban complex projects with a dual-wheel strategy of residential and commercial real estate. Wuyue, Seazen's commercial urban complex brand, debuted in 2012. Seazen has since been upgrading the Wuyue brand by incorporating human-centered design principles and refining its product lineup. To resonate with the deepest emotional needs of Chinese families, Seazen positions Wuyue Plaza as a domestic leading brand of experience-driven commerce that enriches the value of commercial spaces. As of the end of 2023, there were 135 cities (county-level cities) with commercial establishments, and a total of 198 Wuyue Plazas in operation or under construction. Notably, Seazen Holdings ranks fifth in the 2023 Winshang.com list for Top 100 Chinese Retail Commercial Real Estate Developers by Comprehensive Strength.



Top 100 Chinese Retail  
Commercial Real Estate Developers  
by Comprehensive Strength  
**TOP5 in the 2023  
Winshang.com list**



100 Customer Satisfaction  
Score for its All-age Design  
**Guilin Wuyue Plaza**



Golden Award of the  
GBE HOPSCA Awards 2023  
**Lanzhou Anning Wuyue Plaza**

Commercial Management

Unwavering Commitment to Professional Operations

Seazen's commercial management group limited, founded in 2008, has grown into a professional team, comprising thousands dedicated to commercial operations and management, from planning and funding to operational management and marketing. Boasting expertise in coordinating and managing commercial resources, the team operates both proprietary complexes and cooperative commercial real estate projects. By introducing Seazen's advanced commercial operation and management system, we appreciate the asset value. Wuyue Plaza has forged strategic partnerships with over 10,000 top brands at home and abroad, attracting significant business and foot traffic as a powerful commercial magnet. Driven by a mature commercial operation system, we facilitate the integrated upgrading of business resources, ensuring an enduring high-quality commercial experience for consumers. To date, 161 Wuyue Plazas are already serving communities. In 2023, the Group recorded a total commercial operating income of RMB 11.3 billion.

Diversified Business

StarWing Space

StarWing Space, Seazen's leading incubator at home, is designed to offer customers a one-stop, exceptional entrepreneurial and living experience, having incubated over 80 companies to date. Focused on cutting-edge areas such as VR/AR technology, healthcare, and smart home, StarWing Space has earned titles like "Shanghai's Incubator of Technology Firms", "Shanghai Entrepreneurship Incubation Demonstration Base", and "Putuo District Entrepreneurial Incubation Base".



StarWing Space

Caring & Sharing

Under the ethos of "Happiness, Nourishment, and Vitality", Seazen's Caring & Sharing brand cares for the physical and mental health of the elderly, making happiness simple through services. Its flagship, Nanjing Seazen Caring & Sharing Home, the first of its kind in Nanjing, is positioned as a high-end urban health and wellness complex that integrates institutional, community, and home-based elderly care, contributing to the development of the health and wellness sector.



Health and Wellness at Caring Sharing

“Citilink Xingli” Hotel Series

With its proprietary brand, Seazen has ventured into the hotel industry, establishing a team of over 100 hotel development and management professionals, alongside a management system across the full spectrum of planning, design, construction, and operations. Collaborating with the globally renowned Hilton Hotels & Resorts, we have launched our first luxury five-star hotel, Hilton (Seazen) Changzhou Hotel, which has been honored “Changzhou Integrity Enterprise”, “Top 10 Five-Star Chef Hotels”, and “Changzhou Top 10 Business Hotels”. The Group has introduced the “Citilink Xingli” Hotel Series brand matrix, strategically planning for mega-hotels with 800 rooms in several cities.



Hilton (Seazen) Changzhou Hotel

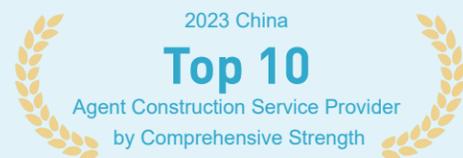
New Energy Business

Seazen strategizes the new energy business and pioneers development models. Wusheng (Shanghai) Energy Equipment Technology Co., Ltd., funded by Seazen Holdings and NYOCOR, operates as an investment and management platform in the energy sector, striving to become a global frontrunner in carbon energy asset management and ancillary services. Specializing in a broad spectrum of application scenarios including commercial complexes, industries, large hotels, hospitals, and transport hubs, Wusheng Energy spans a variety of energy forms—wind, solar, storage, heating, cooling, and electricity, delivering all-encompassing, lifecycle carbon energy solutions. So far, it has integrated green energy and conducted energy-saving renovations across over 100 commercial complexes nationwide, practicing Seazen’s strategy of green and low-carbon development.

Construction and Management Business

Customizing Services to Meet Customer Needs

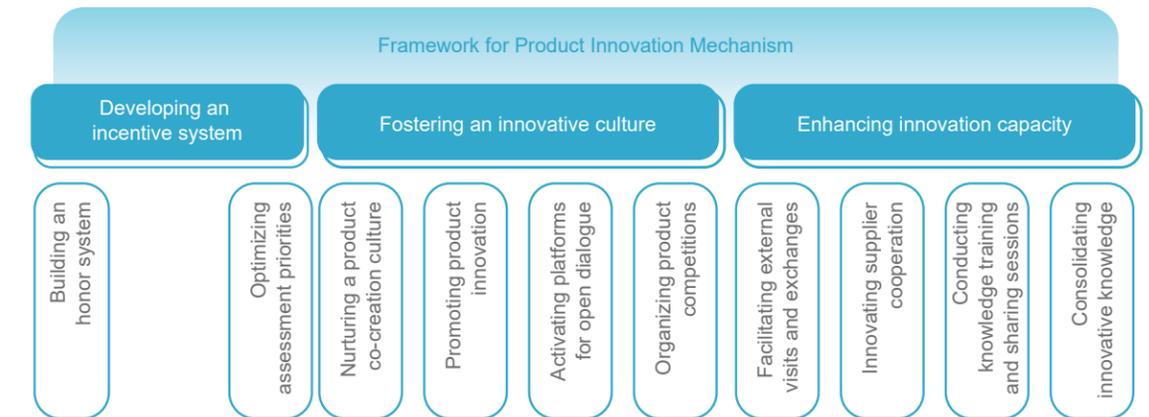
Seazen Construction and Management, dedicated to agent real estate construction and management, leverages Seazen’s 30 years of expertise in development, operation, and management to offer systematic solutions with a suite of products and quality lifecycle services. Aiming to be an integrated go-to light-asset service provider for all business forms, this platform has extended its presence to 57 projects in 47 cities, with a combined area of 5.88 million m<sup>2</sup>.



# Strict Control Over Product Quality

## Product Innovation Mechanism

Seazen has formulated the *Guide of Commercial Development Division to Innovation Business*, striving to drive innovation in plaza operation forms and space purposes, which can continually increase the asset value of Wuyue Plazas. A systematic product innovation mechanism is also in place to formulate measures at three dimensions: developing an incentive system, fostering an innovative culture, and enhancing innovation capacity, which can energize and elevate the product innovation awareness and capacity across the workforce.



The Group has set up a dedicated incentive system for product innovation, outlining a clear workflow for declaring achievements, assessing their value, promoting their application, and recognizing honors and rewards. Employees are motivated to generate greater value through technological innovation, enhance management efficiency, boost product competitiveness, and improve the promotional efficiency of achievement applications, thereby continuously broadening brand influence. As of 2023, we had archived 126 cases upon review.

As of 2023,  
XIN salon training had offered  
**25** sessions  
**84** courses

The coverage rate for specialized training on safety production and delivery quality control reached **100%**



### Case: Innovation Module PK for Cooperative Commercial and Residential Spaces

To elevate Seazen’s overall product design capacity and awareness, we mobilized design teams from the headquarters and regional offices in the innovation module PK for commercial and residential spaces. As of 2023, for residential and commercial spaces, we had gathered 2,600 and 2,261 cases in the innovation module, with 1,500 and 1,217 enlisted in the cooperative project module upon internal assessments, and completed 11 and 12 in-depth research reports, respectively, covering 11 forms such as commercial and cultural transformations in 56 cities at home and 19 foreign countries.



Innovation Module PK

Furthermore, Seazen encourages all employees to join in the revision and formation of national, local, industry, and group standards. This not only showcases Seazen's business and technical strengths, but also contributes to the industry's high-quality development, fostering a patent-dominated and standard-led development pattern.

ICDA joined in the formulation of Assessment standard for Changzhou green construction



### Quality Management System

Seazen unequivocally regards product quality as the cornerstone of corporate growth. We intensify our systematic approach to quality control, rigorously overseeing the quality of our products and services throughout their lifecycle.

Committed to ensuring product quality and safety at the source, Seazen gives high priority to the quality of procured products. Through a material quality control system, we enforce strict controls over the quality of materials procured. A multi-level quality and safety management team has been in place, and we have entered into strategic collaborations with several authoritative third-party testing agencies in China to conduct a variety of inspections, including product sampling tests and factory quality system audits, ensuring end-to-end quality management from the factory floor to the project site.



For our residential development, in strict accordance with the *Building Law of the People's Republic of China, Regulations on Quality Management of Construction Projects, Regulations on the Management of Urban Real Estate Development and Operation*, and other laws and regulations, based on our realities, we have developed the *Measures of Real Estate Development Division for Project Plan Management*, the *Measures of Real Estate Development Division for Engineering Management (2023)*, and the *Measures of Real Estate Development Division for the Management of Housing After-sale Maintenance* during the operation and construction phases of real estate projects, as well as six operational guidelines, including the *Operational Guidelines for General Management Actions in Engineering*, *Operational Guidelines for Third-party Evaluation*, and *Operational Guidelines for Intelligent Construction Site Management*. These documents span the entire project lifecycle from planning through to delivery, ensuring thorough quality oversight. At the organizational level, we have set up a three-tiered quality control system that spans our headquarters, business regions, and projects to effectively guide the implementation of management strategies.



For our commercial development, Seazen has set up a specialized quality control team, formulated documents such as the *2023 Measures for Construction Management of Commercial Development Department*, the *Guidelines for Quality and Safety Operation of Commercial Development Department* and the *Manual for Cases of Major Design Defects*, and executed targeted measures such as vertical quality and safety controls, supervisory early warnings, risk rectification, and infinite loop remediation, all to ensure utmost project safety. Since 2015, we have introduced the ISO 9001: 2015 quality management system across the board and formed a framework of integrating QMS, EMS and OHSAS, which includes a management manual, a procedural document, and an operational form. The ISO 9001: 2015 quality management system covers 100% of our operations, including Seazen Commercial Management Group Co., Ltd. together with its Shanghai branch, and 36 Wuyue Plazas.



ISO 9001: 2015 Quality Management System

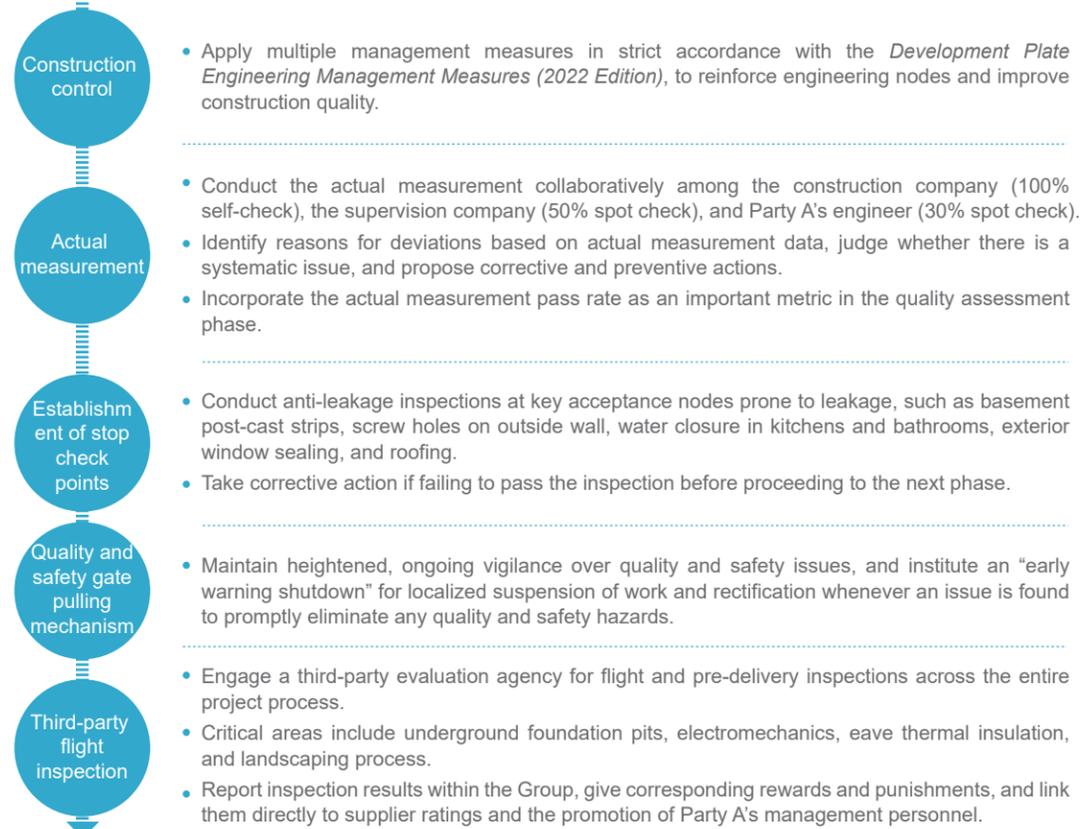
### Quality Supervision and Inspection Mechanism

To ensure stringent control over product quality, Seazen defines clear responsibilities across five key areas: surveying, design, supervision, construction, and development, as part of our commitment to enhancing the assessment and evaluation of product quality. Our assessment system encompasses monthly performance reviews, rewards and punishments for responsible persons, and supplier penalties, all within a framework of lifelong accountability for the quality of construction projects. We integrate the performance and results of operational functions and project inspections of our regional companies into assessment evaluations and link them to each employee's performance, in order to generate their self-driven force for quality and efficiency improvements.

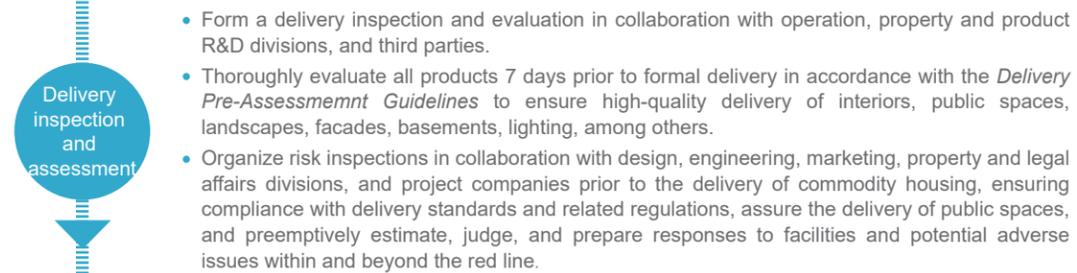
Building upon improving internal systems, Seazen engages third-party inspections and evaluations to thoroughly examine the effectiveness of engineering management. This ensures a perpetual cycle of inspection feedback, systematically eradicating potential risks. We regard third-party inspection results and customer feedback as the cornerstone of quality enhancements, enabling us to continually refine our quality management system effectively safeguard product quality.



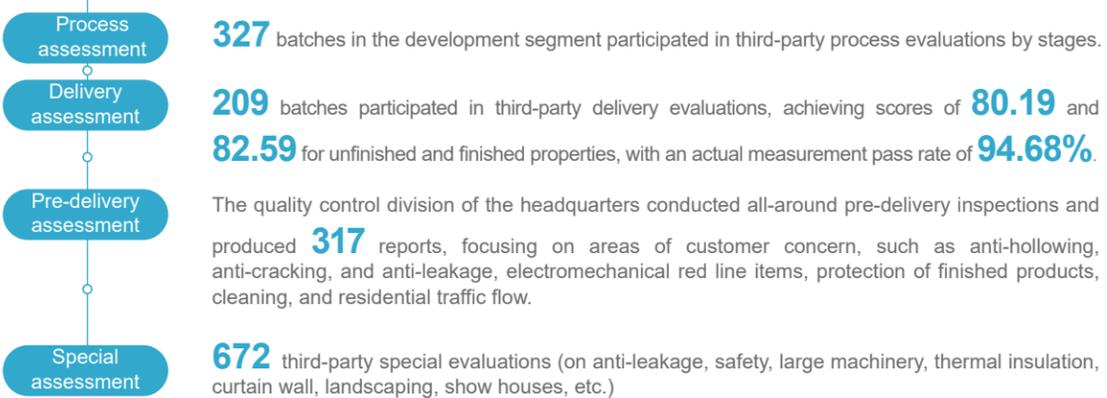
Process Quality Management Workflow



Delivery Quality Management Process



In 2023



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(s)	Office of the CEO, Regional Companies, and Real Estate Development Department Management Center	Regional Companies, and Real Estate Development Department Management Center

Quality Data Related to the Residential Development Stage

Indicators	Unit	2021	2022	2023
Project process assessment	Score	91.17	90.32	90.05
Project delivery assessment	Score	81.07	80.41	80.68
Special safety inspection	Score	81.66	81.76	78.05

Note: These figures are based only on data from the Residential Development Division in the residential development stage.

Quality Related Data during the Development Stage of Commercial Complex

Indicators	Unit	2021	2022	2023
Project process assessment	Score	87.11	85.44	85.4
Project delivery assessment	Score	80.28	77.32	82.27
Special safety inspection	Time	156	154	148
Monthly quality and safety assessment and inspection	Time	164	160	156
Identified quality and safety issues/hidden dangers	Item	7,901	7,786	7,875

Quality control check-in

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 data. 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 Stage of Commercial Complex

Indicators	Unit	2021	2022	2023
Special safety assessment	Score	95.81	89.2	86.47
Special safety inspection	Time	54	24	24
Monthly quality and safety assessment and inspection	Time	189	118	136
Identified quality and safety issues/hidden dangers	Item	12,038	9,305	13,915

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.

Quality and Safety Awareness Enhancement

Seazen is committed to fostering a culture of quality by helping employees and suppliers establish quality and safety awareness. In 2023, we launched training tailored to business regions and on management systems and weak areas of management. By fostering a rich learning environment dedicated to quality culture, we keep raising quality awareness among our workforce. We provided training on quality for all suppliers, achieving a 100% participation rate. For new suppliers, we held comprehensive training sessions to outline our quality standards and other collaborative requirements, securing tight supplier quality control. During the reporting period, the Group's several subsidiaries and individuals were honored such titles as "Advanced Entity in Work Safety", "Advanced Entity in Social Work", and "Advanced Individual in Social Work".

In 2023

The Engineering and Property Center of Commercial Management Division conducted

**20,095** training sessions on quality improvement and mall fire prevention/safety

**851,600** participants

achieving a **100%** employee coverage

quality-related training for all suppliers, achieving a

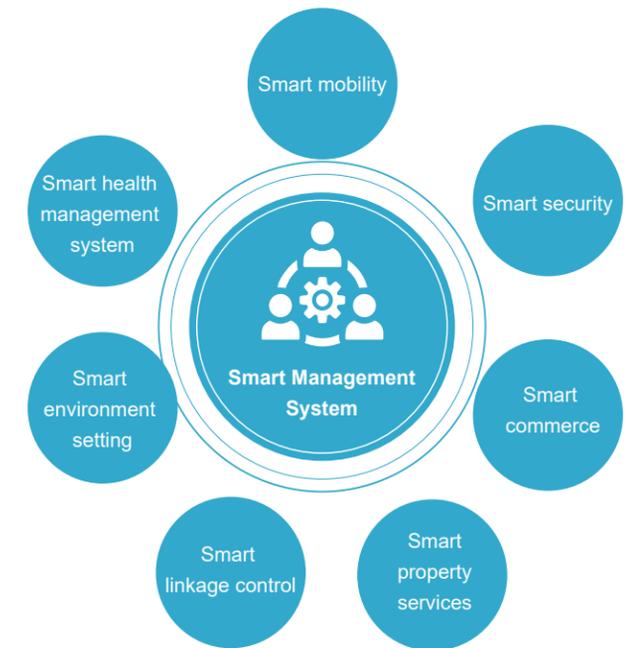
**100%** employee coverage

Smart Quality Management

Seazen consistently elevates the smart management level. Through the "Internet Plus" management model, we bolster the quality and safety management of construction projects and the operation and maintenance of malls, thereby boosting both management efficiency and decision-making capacity. Our innovative Core Manufacturing system also enables smart management that allows for project-specific quality control check-ins. Each check-in is supported by detailed illustrations and text, engaging every employee in quality control and empowering them to become quality experts.

To facilitate the fine management of engineering projects, we apply BIM technology across the process, involving construction safety management, construction quality management, green construction, and personnel management. This will reduce costs and increase efficiency, advancing an integrated approach to corporate operations. Our BIM+ integrated project, currently in pilot stages in regions like Sichuan, utilizes full-cycle site layout and dynamic planning to effectively safeguard land usage and reduce construction pollution, thereby minimizing environmental impact while ensuring quality.

Regarding operations, by innovating our smart operation and management system, we have developed an integrated information platform, Seazen Cloud Control Platform, encompassing sub-platforms for Seazen cloud management, engineering and property management, automatic patrolling, smart store shutdown, and smart firefighting. It establishes a three-tiered smart management system that spans the headquarters, business regions, and projects, thus significantly elevating our project operation and management capacity.



## Sincere Customer Services

Seazen prioritizes the needs of customers and safeguards their basic rights and interests with a commitment to responsible marketing. Through a sound customer service system and the Happy Experience Project, we meticulously deliver an array of premium services to elevate both our service capacity and customer satisfaction.

### Responsible Marketing

Seazen faithfully practices responsible marketing to fully safeguard the basic rights and interests of customers. Adhering to the *Advertising Law of the People's Republic of China* and the *Administrative Measures for the Sale of Commodity Buildings*, we have developed the *Operational Guidelines for Risk Control of Sales Advertisement*, the *Measures for Risk Inspection before Project Opening*, the *Risks of Advertising Marketing*, the *Measures for the Management of Marketing Business*, and the *Measures for the Management of Risks at Marketing Sites*. These policies comprehensively standardize our marketing work, to ensure the fairness, justice, science, accuracy, and objectivity of marketing advertisements.

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. Throughout the sales process, we present customers with essential legal documents, encompassing five licenses such as the land use license and the license of advance sale of commercial housing, the real estate development enterprise qualification certificate, and the announcement of adverse factors within the red line, as well as basic project information of their concern. We also indicate the compliant hotline information at sales sites and on the notification of delivery, aiming to safeguard the rights of customers to know and to appeal. We conduct regular inspections and audits on marketing compliance and monthly mystery customer visits to enhance responsible marketing management, with a 100% audit coverage.



### Responsibility Awareness Training

Seazen offers regular responsible marketing awareness training and courses to all employees. By integrating training data into our internal network academy, we have formed a responsible marketing training system for all employees, encouraging them to bolster fair marketing awareness and engage in responsible integrity marketing.

In 2023, we enhanced our workforce's responsible marketing awareness by offering regular responsible marketing awareness training and courses to all employees and forming a responsible marketing training system for all employees. Training on marketing management systems and risk control items was held for on-the-job marketing personnel across regional functional platforms and projects roughly on a monthly basis, achieving a 100% participation rate. Moreover, all regional functional platforms have instituted a self-inspection mechanism, achieving a 100% coverage of projects. Our headquarters regularly leads key project marketing inspections across these regions.

To continually boost our organizational vitality and training depth, this year we focused on creating an empowerment system for key marketing positions and a team for marketing professionals through diverse training programs. These include a succession plan for regional reserve marketing leaders, an origin breakout action and online empowerment plan for on-the-job project marketing officers, and a digital marketing officer boot camp for online marketing talents. In 2023, the professional training for marketing staff covered 8,594 individuals, with a 100% coverage rate for employees receiving training on marketing guidelines and principles.



Extensive Marketing Training

## Rights and Interests of Customers

### Privacy Protection

Seazen holds the confidentiality and security of personal safety and privacy information of property owners and customers in the highest regard. Adhering strictly to the laws and regulations such as the *Cybersecurity Law*, the *Data Security Law*, the *Personal Information Protection Law*, we have established various strategies and systems for information security management aimed at effective management and control of information security risks.

To mitigate and prevent information security risks, the Group: 1) clearly defines the management roles of the board of directors and the senior management, establishes a three-tiered security management architecture spanning the headquarters, business regions, and projects, and strengthens the systems for security accountability and performance assessment; 2) institutes an Information Security Management Committee chaired by the Senior Vice President as a top-bottom, well-structured, efficient information security management organization to consistently elevate our governance in health and safety; 3) forms an information security emergency response team dedicated to swiftly addressing internal and external information security incidents, ensuring data security and integrity during transmission by such means as security certifications, encryption algorithms, and hash value verification; and 4) employ professional data backup devices for thorough and incremental backups to prevent data loss.

Moreover, Seazen leverages dynamic and static desensitization to safeguard sensitive data, enhanced by the application of page watermark technology for traceability.

### Information Security Certification

Following ISO 27001 certification obtained in 2019, Seazen proudly passed the British Standards Institution (BSI) recertification in 2022 with zero non-conformities.

In addition, our core business systems and private cloud platform have passed the grade-III cybersecurity protection assessment. They meet the requirements in a broad spectrum of security areas, including physical security, cybersecurity, host security, application security, data security, security management system, personnel security management, system security construction, and system security operation and maintenance, ensuring the security, availability, and continuity of our business operations.

### Information Security Training

To enhance the workforce's information security awareness and basic skills, Seazen actively engages in practical training exercises. We invite external expert teams to conduct drills on network attacks, penetration, and security engineering, and hold information security awareness and technology training sessions, striving to improve information security training both practically and theoretically.

## Customer Experience

### Residential Development Customer Services

### Happy 360° Service System and Diverse Service Channels

Seazen prioritizes customer experience and delivers exceptional services, aiming to enhance the customer happiness index.

Central to a happy life for customers is the senses of satisfaction, security, trust, experience, and belonging. By satisfying these five dimensions through property selection, contract signing, waiting, delivery, and move-in, Seazen applies a full-cycle value chain service standard, the 5+N Happiness Standard, which encompasses 60 services. Building upon this, we have developed the Happy 360° Service System 3.0, penetrating services into the above five scenario stages. Underpinned by internal policies, such as the *Measures for the Management of Customer Satisfaction and Complaint Handling* and the *Measures for the Management of Customer Service System Operations*, this system safeguards the rights and interests of customers by collecting and handling their requirements, ensuring every customer feels genuinely cared for at Seazen.

Seazen has established the Orange App and a 4008 Service Center, integrating the nationwide customer service hotline "4008900950," serving as an important tool for Seazen to enhance its service standards. Abiding by internal management guidelines such as the *Measures for the Management of Customer Risk Prevention and Control*, the *Measures for the Management of Housing After-sale Maintenance*, the *Measures for the Management of the 4008 Customer Service System Operations*, and the *Measures for the Management of Customer Satisfaction with Sales Properties*, our customer service system provides property owners with richer, faster and guaranteed online + offline life services in multiple scenarios. By swiftly and efficiently responding to customer feedback such as complaints and repair requests, this platform contributes to a better full-cycle risk control system and service quality management system.



### Responses to Customer Complaints in 2023

Responses to Customer Complaints in 2023  
Seazen's 4008 Call Center achieved a

maintenance requests related  
to products and services and a

**100%** response rate to customer  
inquiries, complaints

**96%** resolution success  
rate for customer complaints

with engineering issues resolved in 13 days, fine finishing issues in 15 days, sales issues in 7 days, design issues in 15 days, and property service issues in 3 days on average



4008 Call Center and Orange APP

Seazen offers thoughtful, full-spectrum, high-quality services spanning from pre-sale to post-sale phases. Following project delivery, a dedicated home repair center and a housing maintenance team are in place to offer repair services. Our "Happy Home" repair occurs regularly to offer property owners value-added services. By the end of 2023, our regional middle and senior management had visited cumulatively over 2,000 households to learn their needs and improve their living experiences. Moreover, we have instituted a defect feedback system to collect and organize typical design and quality defects after customer visits. By developing a mobile defect library and providing feedback to design and front end, the system facilitates improvements from the ground up.

Commercial Management Customer Services

S-Enjoy Service System

The S-Enjoy service system, anchored in the customer-centric philosophy, is dedicated to satisfying the frequent needs of customers at Wuyue Plazas, such as shopping, dining, recreation, and parking, with superior spaces and services. By continually improving Wuyue's service standards and hospitality level, we strive to offer customers a comfortable, delightful, and personalized experience.

In 2023, under the philosophy that "deep operation is grounded in user thinking", Seazen developed 98 improvement measures for S-Enjoy services, broken down into S-Enjoy Hospitality, S-Enjoy Tour, and S-Enjoy Consumption. By continually improving Wuyue's service standards and hospitality level, we aspire to deliver exceptional living experiences for our customers.

S-Enjoy Hospitality

Improve hospitality experience by focusing on customer complaints and basic services

S-Enjoy Tour

Optimize tour experience by focusing on the guide system, tour indications, and intelligence

S-Enjoy Consumption

Elevating consumption experience by focusing on significant touchpoints throughout the entire shopping journey

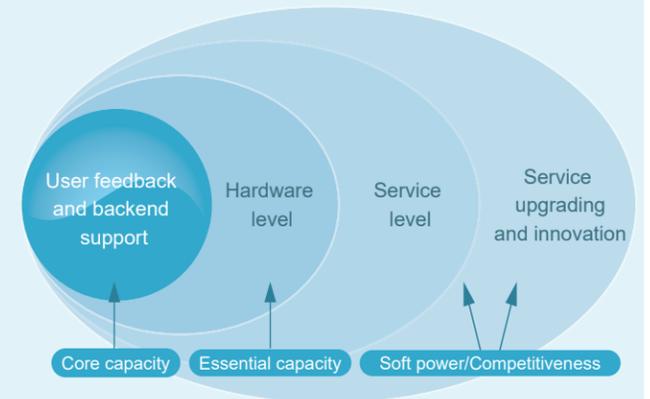


S-Enjoy Service System



Case: Creating the "Best Service Counter"

This year, we rolled out the "Best Service Counter" activity, utilizing criteria across four dimensions: service upgrade and innovation, service level, hardware level, and user feedback and backend support to encourage projects to value their service counters and customer services. This initiative aims to facilitate experience sharing among projects, build consensus through promotional efforts, identify exceptional service personnel, and continually enhance Wuyue's service level. Out of 41 nominated projects across 18 regions, 10 were awarded the title of "Best Service Counter" and 6 received individual accolades.



Seamless Integration

A Comprehensive Customer Service System

Beyond customer services tailored to residential development and commercial management, Seazen has established an all-encompassing, cross-sector customer service system to satisfy diverse customer needs, improve customer experience, and boost customer satisfaction.

S-Enjoy Membership

Capitalizing on our dual-wheel development strength, to satisfy lifestyle needs of all age groups, we provide exclusive services for property owners. We have introduced the S-Enjoy Membership, encompassing community club facilities and Wuyue Plaza amenities:

Community club facilities

Exclusive services through facilities like gyms, chess and card rooms, private dining halls, and table tennis rooms within the community

Wuyue Plaza amenities

Exclusive cinema, fitness, family, and karaoke services in collaboration with key merchants at Wuyue Plazas



Changzhou Guangxing S-Enjoy Club

"悦" 会员体系 业主专属礼遇

Exclusive courtesy for owners



Zhangzhou Longwen S-Enjoy Membership

Happiness Experience Project

As Seazen's heavyweight brand IP, the "Happiness Experience Project in Zhangzhou" set sail again in 2023. By integrating Seazen's high-quality experiential scenarios, it provides a faithful representation of living spaces, community interactions, commercial experiences, and services for diverse business forms.

"Happiness Experience Project in Zhangzhou" Unveils Seazen Holdings' First PinYue Product

On 15 December, 2023, the Happiness Experience Project marked its presence in Zhangzhou, unveiling the national debut of Seazen Holdings' new high-end product line, PinYue Series, on its 30th anniversary. From Zhangzhou Longwen Wuyue Plaza to Zhangzhou Wuyue PinYue Seasons, the Happiness Experience team has unlocked 16 core scenarios, witnessing Seazen's prowess in operations, products, and services. Participants were deeply immersed in "Rejoining Quality Spaces with Others".



Happiness Experience Project in Zhangzhou at Zhangzhou Longwen Wuyue Plaza

Customer Satisfaction Management

In accordance with the *Measures for the Management of Customer Satisfaction*, Seazen conducts monthly customer satisfaction surveys across ten indicators, including sales service, contract communication and notification service, delivery service, housing quality, maintenance service, housing design, community landscaping, overall community planning and environment, property service, and complaint service. They are designed to gauge customer satisfaction with Seazen's products and services at crucial experience nodes from purchasing and contract signing to move-in.

Customer satisfaction survey results in 2023

57,722 valid questionnaires were collected from (residential + commercial) customers

satisfaction scores from real estate developers, commercial customers, and commercial merchants at

68 86

82 respectively



To enhance our customer service capabilities, we launched a suite of online and offline courses, such as "understanding customer needs", "user journey chart", and "serviceblueprint design". In 2023, over 500 trainees participated in customer service training.

Smart Customer Experience Technology

Focusing on the standardization of processes, tools, and outcomes, Seazen has pioneered a customer insight standardization business system and tool platform that can smartly, precisely and efficiently empower Wuyue Plazas to perform insights and support operational decision-making. By tackling the challenge Wuyue Plazas grapples with in identifying core customers and gaining insights into their demands, this platform enables a feedback loop to assess and validate the effectiveness of operational practices. It allows for real-time connectivity across national metrics, multi-dimensional graded benchmarking, precise guidance to enhance business capacity. Through aggregating user data assets and developing standardized business capacity, the platform has established a long-term operational mechanism.

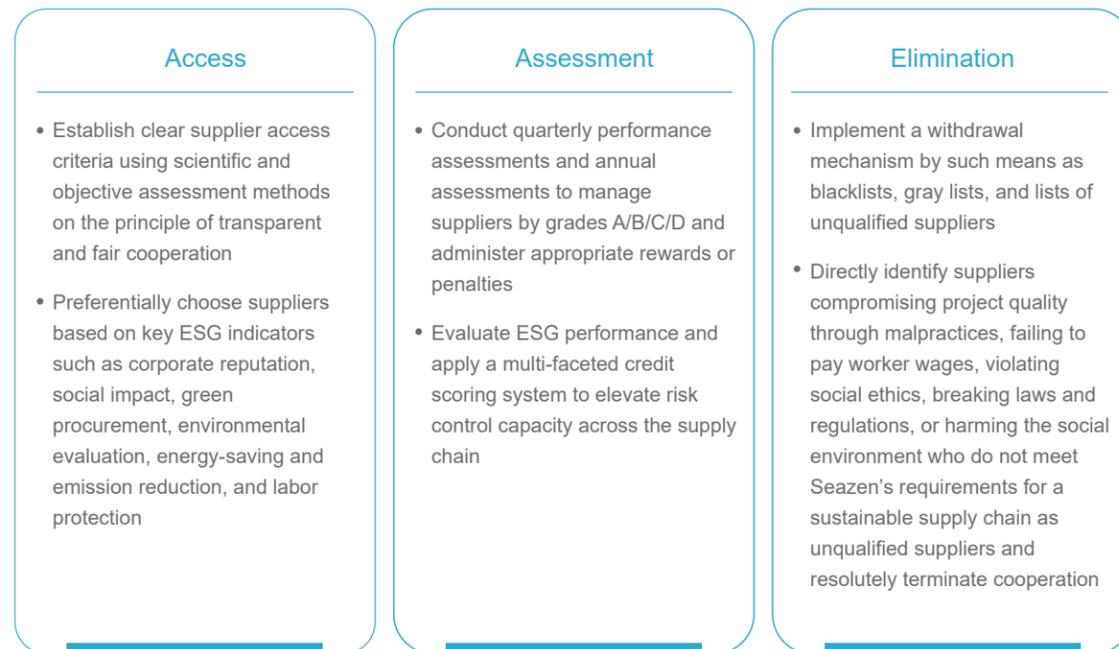


Customer Insight System (CIS)

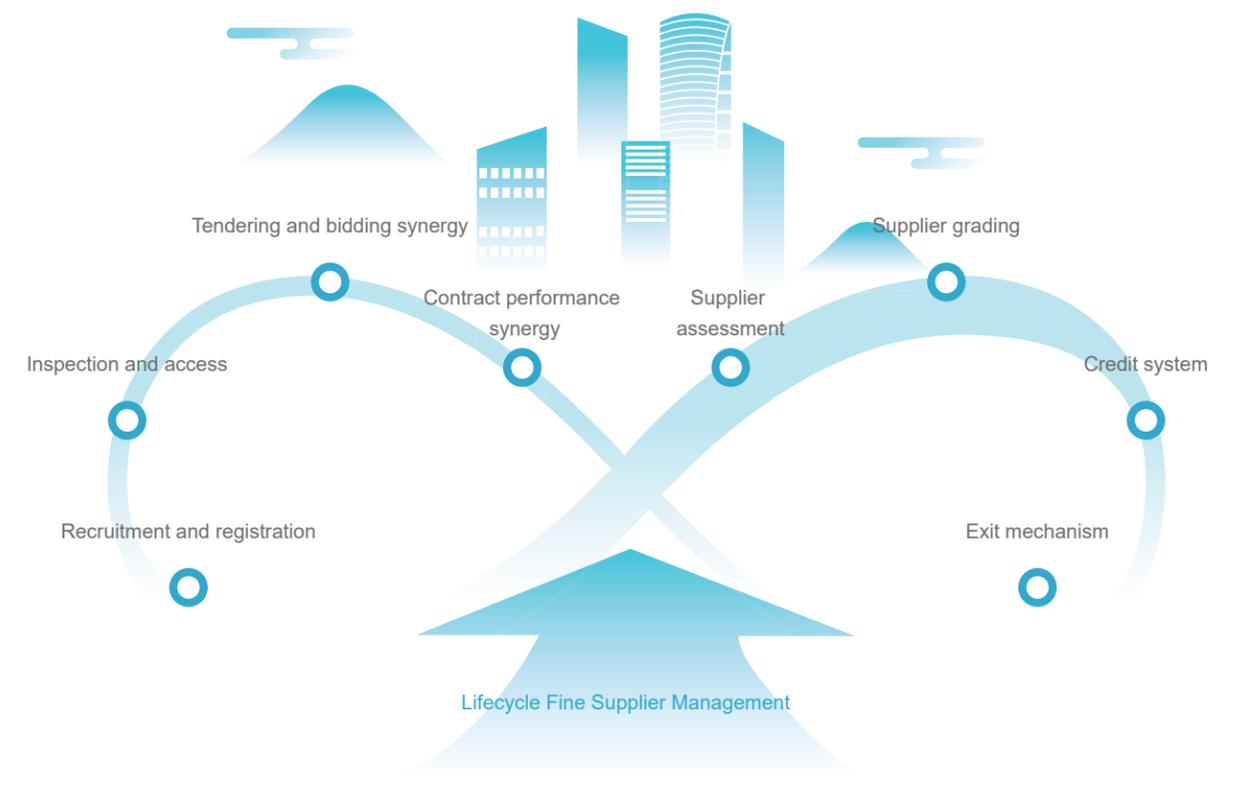
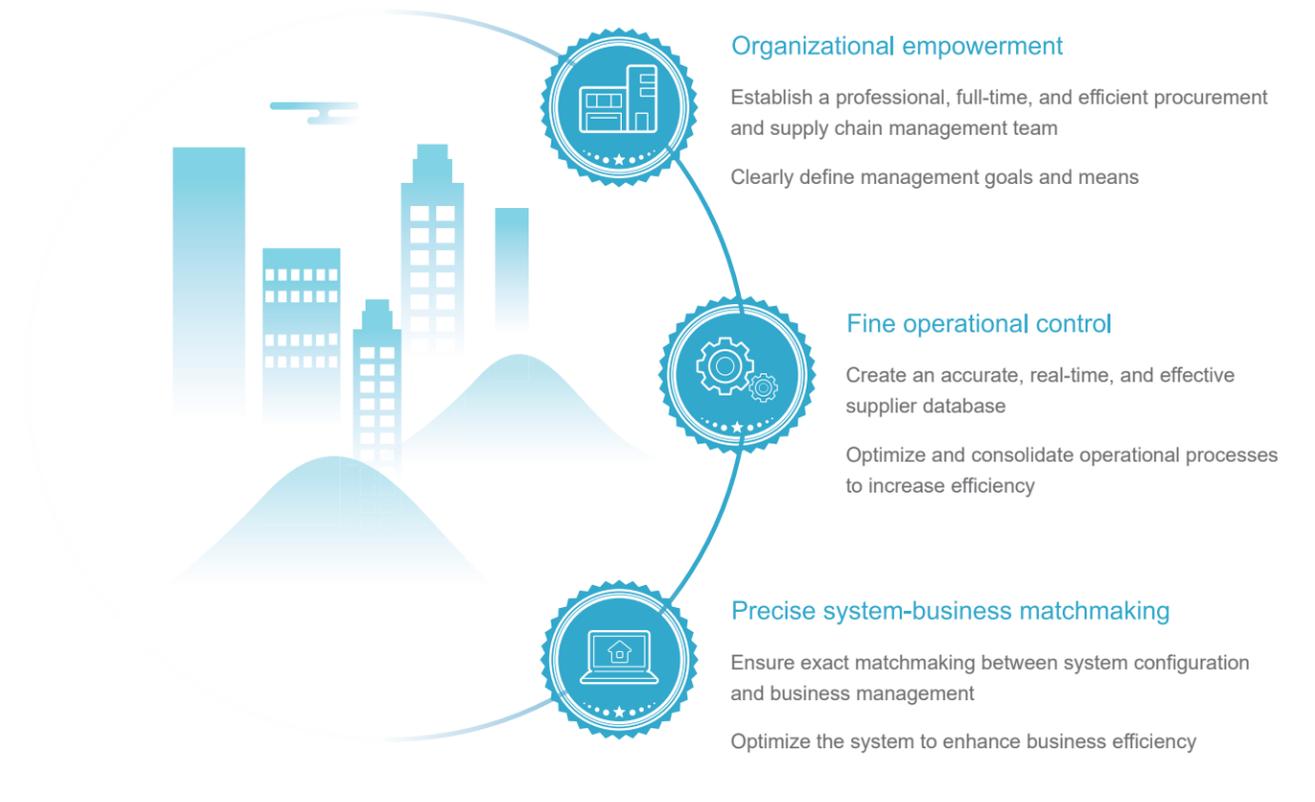
# Supply Chain Management

## Supply Chain Management System

By performing the duties and responsibilities as a social citizen together with partners, Seazen aims to create a transparent, high-quality, green, and secure supply chain. Our ongoing effort to fortify our supplier management system includes developing internal policies such as the *Procurement Management Measures*, *Cost Management Measures*, "*Supplier Inspection and Attention Matters*", the *Supplier Code of Conduct*, and the *Supplier Management Measures*. These policies lay down stringent specifications for supplier selection, assess, and assessment, ensuring comprehensive management throughout the bidding, production, construction, and delivery phases. Sustainability evaluation criteria are also embedded into supplier access, assessment, and elimination mechanisms. Further, we utilize tools such as supplier evaluation forms and reports to bolster supplier evaluation and quality control.



The Group proactively applies a large-scale procurement model that incorporates marketing, design, engineering, and information suppliers into a large-scale, centralized procurement system, enabling a tripartite separation of powers across all business modules. This enhances the transparency and efficiency of supplier management and ensures a more equitable, open, and fair bidding process. In 2023, by digital means, we further enhanced fine management, achieving organizational empowerment, fine operational control, and precise system-business matchmaking. By effectively bolstering fine supplier management across the entire lifecycle, we can forge a healthy ecosystem for selecting, using, cultivating, and retaining suppliers.

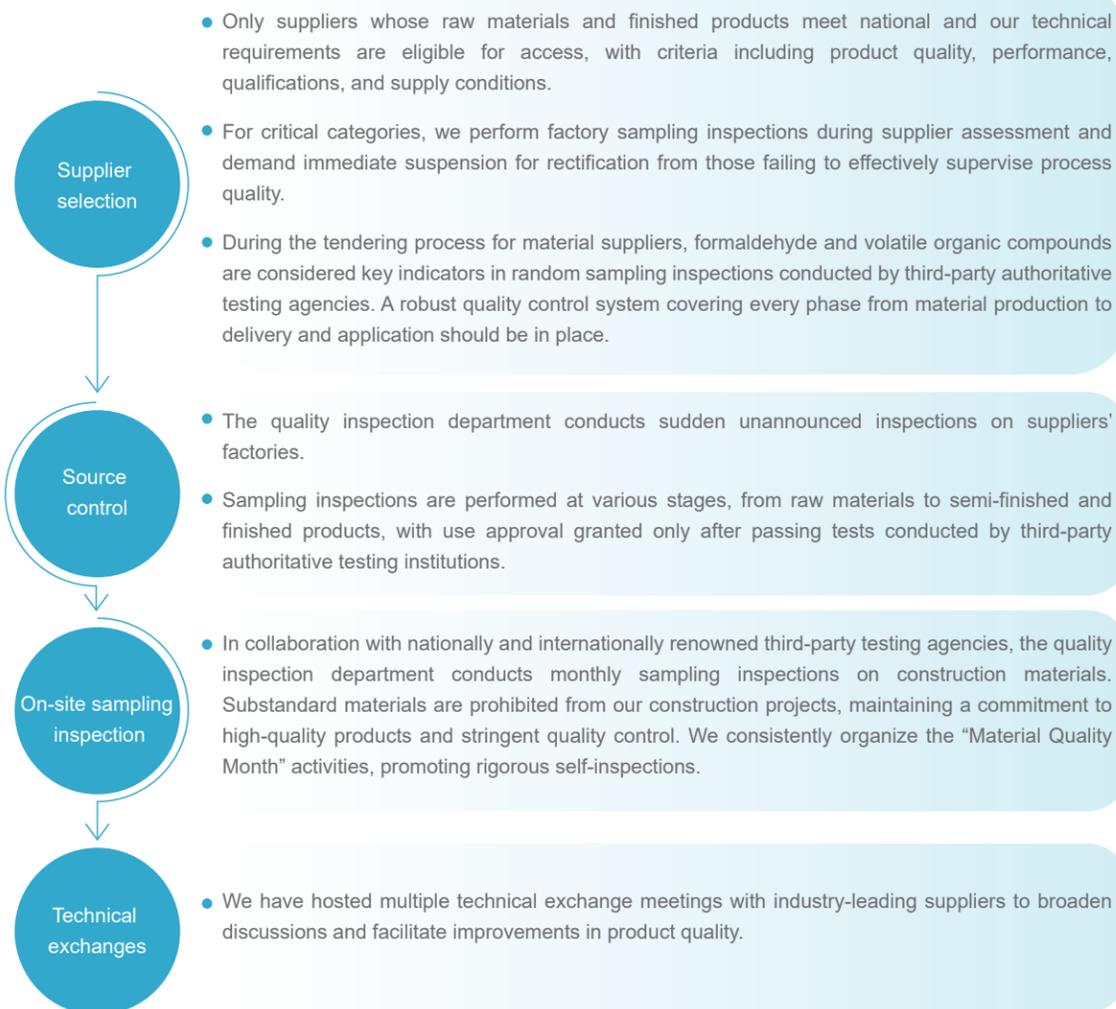


## Responsible Supply Chain

Seazen is dedicated to partnering with suppliers to foster green and sustainable growth. For this purpose, we conduct thorough background checks to fully understand the environmental and social risks associated with our suppliers. We offer suppliers a wide array of regular training sessions on legal affairs, business ethics, and quality safety, alongside annual capacity-building training. Suppliers are encouraged to develop management measures based on their development realities and characteristics, and to share relevant guidelines with their upstream and downstream partners, aiming to mobilize them for collective chain management.

### Quality Responsibility

Seazen champions outstanding quality management throughout the supply chain. Starting from the source, we implement strict quality management for our suppliers. In 2023, we initiated quality training for all suppliers, demanding adherence to Seazen's stringent quality and collaboration standards. In 2023, the coverage rate for supplier quality audit-related training was 100%. The proportion of core contractors and suppliers receiving quality training and audits was 100%, as well as the proportion of non-core contractors and suppliers.

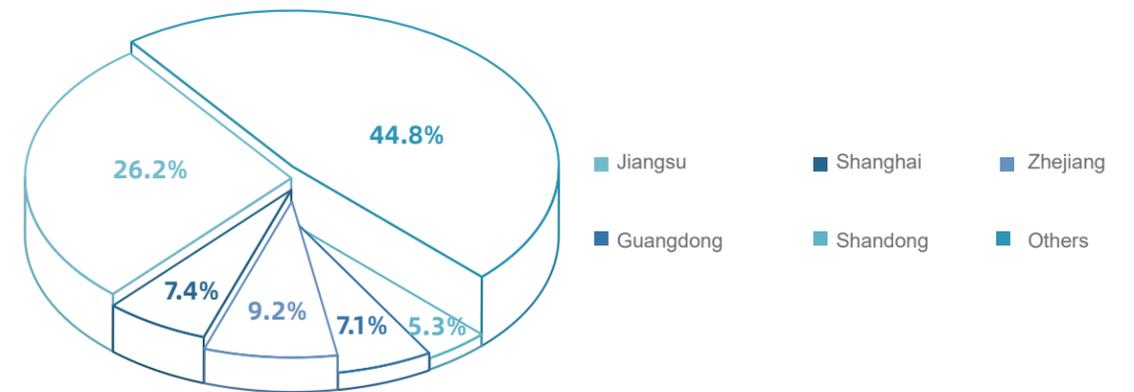


### Economic and Labor Responsibility

Seazen is committed to stimulating regional long-term economic development by creating more business opportunities for local suppliers through localized procurement. Therefore, we prioritize selecting suppliers closer to project construction and operation sites. In our resource planning, we demand streamlining local suppliers and a stringent policy for the share of local suppliers  $\geq 50\%$ .



### Distribution of Seazen's Active Suppliers:



Moreover, to fully safeguard the labor rights within our supply chain and to ensure that our suppliers perform their economic responsibility, Seazen mandates suppliers to sign a pledge guaranteeing the timely payment of wages to migrant workers with each transaction, which can effectively monitor the performance of their economic responsibility.

### Environmental Responsibility

Abiding by the Guidelines for Green Procurement in China's Real Estate Industry and referring to the Group's environmental management policy, ISO14001, and ISO50001, Seazen urges our suppliers to improve their practices in controlling environmental pollution, conserving and reusing resources and energy, and protecting biodiversity.

Under equal circumstances, we prioritize green and healthy products with green group standard certifications or third-party environmental certifications. By prioritizing materials that are safe, durable, green, and low-carbon, we drive the extensive application of green building materials in projects, contributing to an eco-friendly society across the board.

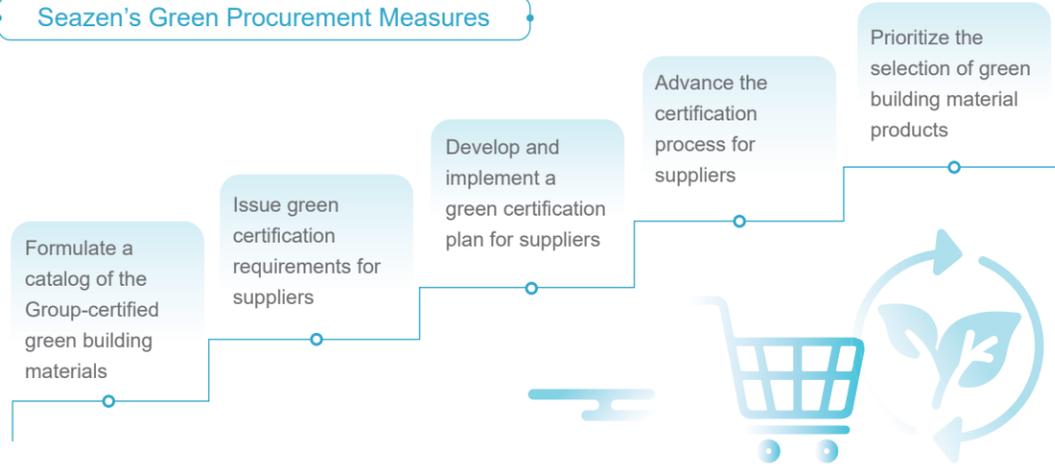
Suppliers are encouraged to develop green innovative technologies and products. Moreover, we enforce a strict prohibition on the procurement of products identified as generating heavy pollution or posing high environmental risks.

In partnership with our suppliers, we establish shared environmental objectives and build a stable production-sales relationship to ensure the carbon emissions from materials we procure meet national standards.

Incorporating the requirement for green building material certifications into our strategic centralized procurement stimulates upstream material suppliers to get green building material certifications.

As of 2023, Seazen had propelled **59** strategic partners to secure **green building material certifications** accounting for **54.10%** of our total supplier base, a **3%** increase compared to the previous year.

Seazen's Green Procurement Measures



Certificates for Green Building Material Product Certification

Health and Safety Responsibility

Seazen pursues high standards when advancing the health and safety of our suppliers, contractors, and other partners. We enforce stringent control over our suppliers' safety qualifications and bolster the management of safety and civilized construction among our contractors. Suppliers and contractors are required to strictly adhere to both national and local health and safety laws and regulations. During the bidding process, they must proactively present documents related to safety qualifications and safety precautions. Following the *Occupational Health and Safety Management Policy*, we hold our suppliers and contractors to the same standards regarding occupational health and safety management, incorporating their performance into our supplier qualification and assessment processes.

Adopting the OHSAS 18000 Occupational health and safety management systems identical to the Group, we have established a *Supplier Code of Conduct*, which outlines requirements for the health and safety of suppliers. Suppliers, contractors, and other partners are encouraged to adopt monitoring and safety management guidelines tailored to their characteristics, and to provide more safety guarantees for their employees. Supplier access necessitates interviews with top management regarding occupational health and safety management, ensuring that they have sound safety measures in place.

Moreover, the Group continually strengthens the capacity of our suppliers to withstand related risks. Suppliers are required to provide regular occupational health and safety training for all employees, which includes risk response methods and ways to ensure effective responses. We also encourage them to purchase various types of insurance, such as personal accident, employer liability, and public liability insurance, to fully safeguard the health rights and interests of supply chain partners.

Business Ethics

Seazen's *Supplier Code of Conduct* outlines stringent requirements for integrity and business ethics, mandating suppliers to follow the Group's supply chain management principles of honesty, trustworthiness, transparency, and impartiality. This aims to prohibit bribery, transfer of benefits, fraud, and other unethical behaviors across the entire process of supply chain cooperation. All suppliers are required to sign the *Integrity Cooperation Commitment*, the *Sunshine Clause*, and the *Integrity Agreement*, making their commitment to integrity and business ethics. In 2023, the signing rate of the *Integrity Agreement* among the Group's suppliers achieved 100%.

The Group issues an integrity risk warning letter to all partners and encourages them to report any violations of integrity and business ethics to the Group's Audit and Supervision Center. Partners who show a commitment to integrity, practicality, and assist in combating fraud are prioritized for cooperation and long-term partnership.

To bolster integrity construction, Seazen periodically conducts business ethics training for suppliers and requires cooperation in integrity surveys. They are encouraged to report fraud, bribery, corruption, and other unethical behaviors via various public channels.

Collaborative Growth with Partners

Seazen has sponsored the Seazen Annual Commercial Convention since 2014. Following a three-year hiatus, we reunited on October 13, over 6,000 branding businesses and industry peers from across the nation sharing our growth stories over the past three years. Reflecting on our journey, Seazen has consistently forged ahead with determination, demonstrating resilience in a dynamic environment. After years of endeavors, the convention has evolved into a beacon for confidence boost and steady development in the industry. Boasting a refreshed commercial capacity through in-depth operations, Wuyue Plazas have remained a customer-centric approach to driving business innovation and spearheading industry transformation.



**Case: Marching Forward Together – Creating a Core Supplier Operation Mechanism**

Seazen recognizes partners who share a deep trust, competitive edge, and mutual benefits, poised for long-term, strategic collaboration with consistently enhanced core competitiveness as our core suppliers. By closely partnering with them, we elevate product quality, build a distinctive Seazen supply chain, and foster value creation.



Annually, we identify core suppliers based on their performance in fulfilling contracts. The process is anchored on quality and progress, while also considering business capacity, service level, cooperation intention, and past performance evaluations and cooperation records, ensuring a fair, impartial, and comprehensive assessment.



**Signing Ceremony of the Happiness Alliance**





# 03 SHARED PROSPERITY AND GROWTH TO LEAD A GREEN FUTURE

- Green Building Design and Promotion
- Waste Management and Pollution Prevention
- Improvement of Energy Efficiency and Utilization of Renewable Energy
- Conserving Water Resources
- Addressing Climate Change
- Reducing Greenhouse Gas Emissions
- Green Operations and Offices Practices
- Supporting Urban Renewal
- Balancing Development with Ecological Conservation
- Green Finance

<p><b>6</b> CLEAN WATER AND SANITATION</p>	<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>13</b> CLIMATE ACTION</p>	

Seazen consistently follows the concept of green and healthy life, and commits itself to promoting the harmonious coexistence of man and nature. In 2023, we promoted the design and construction of green buildings, advocated eco-friendly settlements, created green malls, and constructed healthy and green living space for clients and communities.

## Tackle Climate Change

In recent years, climate change has given rise to frequent extreme weather, bringing potential risks to global social and economic development, and putting stable business operations and asset safety in jeopardy. In this context, countries have pledged to actively respond to climate change. As China makes steady progress in "dual carbon goals", green and low-carbon actions adopted by the real estate and construction industry will assist China in bringing about a comprehensive and deep low-carbon transition, and also spur the high-quality transition and upgrading of the real estate and construction industry.

We are well aware that climate change both poses risks and creates an opportunity for Seazen's business.

Since 2021, we have been disclosing climate change-related information in terms of governance, strategy, risk management, guidelines and targets every year through policy research and peer benchmarking, with reference to expert opinions and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).



### Climate Management System

#### Governance

In an effort to address the impacts and challenges posed by climate change, Seazen Development has integrated climate management-related functions into the ESG governance structure, established a climate change management system with the board of directors as the top decision-making level, laid down the responsibilities of the Board of Directors and management to supervise climate-related issues, and supervised climate change-related matters regularly, ensuring that we thoroughly study, analyze in advance, make effective decisions, and act to tackle climate change.

Decision-making layer: the Board of Directors

As the top decision-making level, the Board of Directors of Seazen has been actively involved in the management of major climate change-related issues, regularly assesses major risks and opportunities under the TCFD framework, analyzes the impact of climate change on the Company, takes account of climate change factors in the Company's business strategy, and improves management mechanisms, indicators and response measures in a timely manner as needed.

Management layer: ESG Management Committee

The Board of Directors has authorized the ESG Committee to supervise ESG management across the board, and has included climate change into the responsibilities of the ESG Management Committee. It holds ESG communication meetings regularly to discuss issues pertaining to climate change risks, and reports to the Board of Directors and assists it in ensuring effective oversight.

Executive layer: ESG Working Group

Guided by Seazen's ESG Management Committee, the Company's ESG Working Group coordinates the operation and design of business lines, assesses and manages climate change issues on a daily basis, and carries out and promotes climate change management work.

#### Strategy

In order to implement the national plan and requirements for low-carbon development and fulfil Seazen's sustainable development strategy, we released the "New Blue Action" 3Green Blueprint in 2022. It makes green development a defining feature in Seazen by drawing up a management blueprint for green construction, a blueprint for green and low-carbon operation and maintenance, and a blueprint for green and sustainable development, ensuring a homeland of happiness with blue sky, green land and clear water.

#### New Blue Action 3Green Blueprint

##### Management Blueprint for Green Construction

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.

##### Operation and Maintenance Blueprint for Green and Low-carbon

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.

##### Development Blueprint for Green and Sustainability

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.

#### Risk Management

Seazen puts a high premium on climate change risk management. We have integrated climate risk into the Group's risk management, identified and anticipated climate and extreme weather risks, and conducted climate risk assessment on a regular basis.

#### Assessment Process

During the reporting period, we have identified, evaluated and addressed climate change risks and opportunities in the Group's operation process and gradually improved the risk management mechanism according to the assessment process of "screening risk points, conducting risk assessment, analyzing impact on business, and ranking risks" with reference to the TCFD framework, in conjunction with the *Guidelines for Real Estate Enterprises to Respond to Climate Change*.

##### Establish a list of climate risks

Extensively study climate change trends at home and abroad, technology development, industry risk reports and other relevant materials, and establish a list of climate change risks based on Seazen's business characteristics.

##### Risk materiality ranking

Comprehensively analyze the possible impact of climate change on business operations, as well as time period, potential financial impact and other indicators, and rank climate-related risks and opportunities identified

##### Analysis and presentation of results

The results of risk ranking are discussed by external experts and internal management and are then submitted to the Board of Directors for review, and the material climate change risks and opportunities during the reporting period are finally confirmed

##### Take countermeasures

Based on the material climate risks and opportunities identified, we will prepare targeted response measures in a timely manner to promote routine climate change risk management

##### Oversight and disclosure

Seazen Development regularly tracks the progress of work and includes a TCFD chapter in the annual ESG report to disclose information in response to the concerns and expectations of stakeholders

A List of Material Climate Change Risks and Opportunities

The type of risks or opportunities	Description	Countermeasures or potential opportunities
Physical risks	Acute risks arising from extreme weather such as typhoons and floods, which affect the production and transportation of upstream materials, and cause project delays	Conduct an across-the-board assessment, develop an emergency prevention and control plan, and in the event of extreme weather events, minimize the negative impact on the business and possible property damage
	Chronic risks arising from climate change and rising sea levels, exposing coastal projects to risks, and destabilizing supply, which delays development progress	Pay attention to the chronic development trend of climate patterns in various regions, and develop response plans to adapt to possible long-term changes as needed
Transition risks	Legal and policy risks: <ul style="list-style-type: none"> <li>The introduction of energy-saving and emission-reduction policies leads to rises in material prices; miss out on relevant subsidies and preferential policies</li> <li>Stricter emission standards lead to an increase in operating costs related to emissions management and information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate low-carbon priorities into product development and decision-making, and regularly update product and procurement standards</li> <li>Keep abreast of the disclosure requirements of regulators, laws and regulations, and investment institutions for carbon emissions and climate-related information to ensure compliance</li> </ul>
	Technical risks: <ul style="list-style-type: none"> <li>New technological breakthroughs necessitate product iteration and upgrades, resulting in reduced demand for and depreciation of existing products</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen research cooperation with universities and research institutions on climate change, design and develop buildings that can better cope with extreme weather and climate change, and build more low-carbon building projects that conform to green building certification</li> </ul>
	Market risks: <ul style="list-style-type: none"> <li>Consumers have a new environmental protection concept and favor green products</li> <li>The uncertainty of market signals leads to an increase in cost of low-carbon transition and operating costs of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>Further innovative green and low-carbon technology</li> <li>Cooperate with industry partners to promote the development of green real estate supply chain</li> </ul>
	Reputation risks: <ul style="list-style-type: none"> <li>Negative press can tarnish a company's reputation and affect the stakeholders' perception of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in highly recognized international and domestic green certifications and initiatives, sustainability ratings, etc., to enhance its competitiveness in the industry and brand reputation</li> </ul>
Potential opportunities	Resource opportunities: <ul style="list-style-type: none"> <li>Energy-efficient, green buildings</li> </ul>	<ul style="list-style-type: none"> <li>Reduce operating costs and increase asset value</li> </ul>
	Energy opportunities: <ul style="list-style-type: none"> <li>Low-emission, renewable energy utilization</li> </ul>	<ul style="list-style-type: none"> <li>Reduce operating costs and avoid the risk arising from breach of environmental regulations</li> </ul>
	Product opportunities: <ul style="list-style-type: none"> <li>Diversified green products and services</li> </ul>	<ul style="list-style-type: none"> <li>Enhance green technology and competitiveness in the industry</li> </ul>
	Market opportunities: <ul style="list-style-type: none"> <li>Market access, and market support for green products and services;</li> <li>Issuance of green bonds</li> </ul>	<ul style="list-style-type: none"> <li>More market opportunities lead to higher revenues and lower operating costs</li> <li>More funding opportunities</li> </ul>

Financial Impact of Climate Change

Seazen has been aware that the severe and continuing impact of climate-related risks and opportunities on the Company's financial position is a topic of particular concern to stakeholders and the capital market. Going forward, we will further analyze the potential financial impact of climate change on Seazen based on the TCFD framework as well as risk and assessment analysis.

Indicators and Targets

In 2023, Seazen carried out the tasks under the "New Blue Action" in an orderly manner, expedited green and low-carbon work, integrated internal resources to the greatest extent, and better integrated the green and low-carbon development vision with the Group's business and departments' day-to-day work. We made good progress in relevant indicators and targets, and gradually pressed ahead with the comprehensive implementation of the green and low-carbon strategy.

3Green Blueprint of New Blue Action		
Key indicators	Target progress	
A management blueprint for green construction	Green building	Green building coverage rate in new projects reaches 100% About 45% of the new development projects adopt prefabricated construction, with a cumulative area of over 23 million m <sup>2</sup> . Seven types of prefabrication systems have been applied, with a maximum prefabrication rate of 95%. Explore the management model of green "smart" manufacturing and use "Internet plus" to build smart construction sites
	Green certification	In 2023, Seazen received one LEED Commercial Gold Pre-certification and one LEED Residential Gold Pre-certification A total of 59 suppliers obtained green building materials certification in the year, and the coverage rate of green building materials is 54.10%, up by 3% on the previous year.
	Green technology	Formed optimal green technology path, and issued "Operation Guidelines on Green Building" and the "Optimal Technology Path for Four Green Building Certifications" Conducted special research on wisdom and health, and completed "wisdom research report" and "health research report"
Green and low-carbon O&M blueprint	Green shopping mall	In 2023, 29 Wuyue plazas passed the green mall certification, bringing the total to 85 Drew up "Green Lease Agreement" and signed "Green Lease Agreement" with all tenants
	Green office	Carried out green XIN activities, and encouraged employees to practice green office in terms of the office environment, ways of work, office equipment, and low-carbon life Tianning Wuyue obtained the Green Health Office Certification
	Green power	In 2023, 61 rooftop distributed photovoltaic power stations were built and connected to the grid, with an installed capacity of 35.24 MW and an annual power generation capacity of 35 GWh. Carbon reductions reached about 30,000 tons Completed 135 GWh of green electricity deals for the whole year, with carbon offset of about 110,000 tons
Green and sustainable development blueprint	Green finance	Keep exerting efforts in opening up avenues for green financing
	Carbon Sequestration management	Joined hands with China Academy of Building Research to complete the overall carbon emission inventory of the Group, and formulate the Group's carbon reduction goals and strategies
	Employee care	For 18 consecutive years, it has been awarded the title of "China's Best Employer" by CHIRC, an authoritative employer brand research institute in China

During the reporting period, Seazen, in cooperation with China Academy of Building Research, benchmarked itself against the carbon emission information of real estate enterprises in Hong Kong, the Mainland and the United States, studied the ISO14064, Greenhouse Gas Protocol, greenhouse gas emission accounting methods of public building operating enterprises, building carbon emission calculation standards, and other calculation and accounting methods in Chinese and foreign standards, and included direct energy carbon emissions (Scope 1) and indirect energy carbon emissions (Scope 2) in the scope of carbon inventory in accordance with international general rules, with other indirect emissions (Scope 3) as the content of study. Seazen established the carbon emission accounting methodology, and completed the Group's all-round carbon inventory work from 2021 to 2023, contributing to a carbon-neutral construction sector.

## Climate Change Mitigation and Adaptation

We proactively assess climate change market opportunities related to our operations, and endeavor to make improvements in comprehensive energy utilization, sponge city, ecological restoration, green finance, among others, thereby mitigating and adapting to climate change, and enabling the green development of real estate enterprises.

### Integrated Energy Utilization

During the reporting period, we continued to invest in Wusheng Energy Investment and Management Platform. Through rooftop photovoltaic projects for Wuyue Plaza, Seazen continues to increase the proportion of renewable energy and enhance energy use efficiency. The Group strives to achieve a comprehensive renewable energy utilization rate of 8% by 2025. In 2023, we worked with Wusheng Energy to build and connect 61 photovoltaic power stations to the grid, with an installed capacity of 35.24 MW, an annual power generation capacity of 35 GWh, and carbon emission reductions of about 30,000 tons. Simultaneously, Wusheng Energy implemented projects such as comprehensive energy utilization and inter-provincial green power deals with corporate customers to help to reduce carbon emissions in the value chain.

### Rooftop PV Development and Operation Steadily Improves

The rooftop PV power station project has covered over 100 Wuyue Plazas in more than 20 provinces across the country, with a total installed capacity of approximately 50 MW, which contributes to the Group's carbon emission reduction in construction development and shopping mall operation stages. Wuyue Plaza has installed rooftop photovoltaic system in light of local conditions and adopts the mode of "self-generating electricity for self-consumption, surplus electricity to the grid", generating 1.25 billion kWh of electricity in the entire cycle. It reduces carbon emissions by approximately 750,000 tons, while substantially saving comprehensive energy costs and improving the energy efficiency of buildings.

### Wujin Wuyue Plaza's Distributed Photovoltaic Project



During the reporting period, Wusheng Energy cooperated with Zhejiang Tiantang Industrial Co., Ltd., Beite Technology and Changzhou Enreach Copper Co., Ltd. to expand the use scenarios of photovoltaic projects and achieve the goal of business expansion and carbon emission reduction in the value chain.



### Photovoltaic Project of Zhejiang Huzhou Deqing Tiantang Industrial

With a total installed capacity of approximately 2.35 MW, the project adopts the model of "self-generating electricity for self-consumption, surplus electricity to the grid", generating 55.5 million kWh of electricity in the entire cycle and resulting in carbon emissions reduction of about 43,000 tons.



### Beite Technology Rooftop PV Project

The project is located in Shanghai, Jiangsu and Tianjin, with a total installed capacity of about 12 MW, and adopts the model of "self-generating electricity for self-consumption, surplus electricity to the grid", generating 300 million kWh of electricity in the entire cycle and resulting in carbon emission reduction of 230,000 tons.



### Changzhou Enreach Copper's Rooftop PV Project

The project adopts the model of "self-generating electricity for self-consumption, surplus electricity to the grid", generating 69.12 million kWh of electricity in the 20-year cycle and resulting in carbon emission reduction of 53,754 tons.

### Mass Implementation of Integrated Energy Projects

In light of the characteristics of energy use by commercial complexes, Seazen has compiled the *Comprehensive Energy Design Standards and Operational Technical Manual* to promote the innovation and implementation of energy technology. It has set out the whole-process technical control measures for comprehensive energy implementation through multi-energy complementarity, integrated photovoltaic power and storage, comprehensive water recycling and utilization, and other comprehensive energy sources, creating a comprehensive energy use design scheme for commercial complexes.

Wusheng Energy presses ahead with technological innovation and realizes the implementation of comprehensive energy projects

4 new Wuyue integrated energy projects have been put into operation, which are expected to save approximately 38 million yuan in energy consumption for cooling and heating by and reduce carbon emissions by approximately 210,000 tons in the whole cycle.

6 comprehensive energy heating renovation projects have been put into operation, which is expected to save approximately 216 million yuan in heating costs and reduce carbon emissions by approximately 67,000 tons in the whole cycle.



Zhifu Wuyue Plaza in Yantai City, Shandong

Energy hosting model

The energy-saving and low-carbon Wusheng integrated energy system relies on the intelligent energy management platform and carbon asset management system to provide cooling and heating energy supply services for shopping malls.



Longwen Wuyue Plaza in Zhangzhou City, Fujian

Energy-saving sharing and energy hosting mode

Effectively reduce upfront development investment, build an ice storage system through equipment at the design stage to release cooling capacity during peak power consumption, thereby reducing electricity demand and energy cost.



Wuyue Plaza in Yuncheng, Shanxi province

Heating renovation project

After the air energy utilization + peak-valley electric thermal storage mode is put into operation, it is expected to save the full-cycle heating cost by about 45.3 million yuan, reducing carbon emission by about 9,840 tons.

Inter-provincial Green Electricity Trading

During the year, Seazen continued to purchase green electric power such as wind and solar power to support the development of renewable energy. 20 projects in Cixi, Xianju, Tongxiang, Quzhou and other places achieved 135 GWh of green electricity trading in the whole year, resulting in carbon offsets of about 110,000 tons.

Sponge City

In the process of project development, the Group implements the concept of "Sponge City", standardizes the design of sponge cities, improves design and management efficiency in accordance with the *Sponge City Design Standards and Practical Technical Manual*, ensures the landscape quality of sponge city projects, and strictly controls key indicators such as "volume capture ratio of annual rainfall" and "annual runoff pollution capture ratio". In 2023, there were **136** Wuyue Plazas that apply the sponge city construction concept, and **82** Wuyue Plazas had a volume capture ratio of annual rainfall of over 75%.

Construction of water ecological infrastructure

Technologies such as sunken green space, rainwater garden, and rainwater recycling are used to maximize the accumulation, infiltration and purification of rainwater in the site

Improve the efficient use of water resources

Use collected rainwater for green plant irrigation, road washing, landscape water replenishment, etc., and effectively control the surface rainwater runoff and non-point source pollution, realizing the efficient recycling of water resources



Case: Changzhou Puyue Chunqiu uses an array of sponge city technologies

On the premise of ensuring drainage and waterlogging prevention in the site, Puyue Chunqiu combines natural drainage with artificial measures, and adopts an array of sponge city technical measures such as sunken green space, permeable pavement, and rainwater garden to accumulate, infiltrate and purify rainwater and use it for vegetation irrigation, road washing, landscape water replenishment and so on for efficient use of water resources.



Changzhou Puyue Chunqiu

Ecological Restoration

While considering the principles of biodiversity conservation and sustainable development, Seazen assesses the potential impact of land development on the environment and ecology, and formulates corresponding measures in accordance with *China Nature Conservation Program*, the *Land Management Law* and other regulations.

Brownfield Redevelopment

Pursuant to the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, we carry out rational use and redevelopment of brownfield, and realize the comprehensive governance and restoration of brownfield projects in the early stage as well as subsequent intensive utilization. If problems such as pollution or serious damage are found in the preliminary environmental assessment, we will investigate the pollution of soil for construction land and assess risks according to the statutory rights and responsibilities on brownfield governance, provide risk control plans or governance and restoration schemes, communicate with the government, original property owners and other parties, and carry out soil remediation to ensure that the land above real estate in the secondary development stage meets the environmental impact assessment standards. After the restoration of brownfield in the later stage, we promote intensive utilization, rely on effective operation and fine full-chain management to improve urban productivity across the board, and bring new vitality to a good city life.

Greenfield Development

We are committed to maintaining the original natural ecology in the construction land, and using existing natural landform and plant growth habits to design the landscape to the greatest extent, so that the limited greenfield generates more ecological and landscape benefits. If there is demand for greenfield development, Seazen promises to only develop properties that have green certification, and perform compliant development on the premise of effectively protecting the ecological environment around the greenfield and the habitat of animals and plants. For projects involving greenfield, we follow international practices and the concept of green design and construction to minimize the impact on natural habitats.

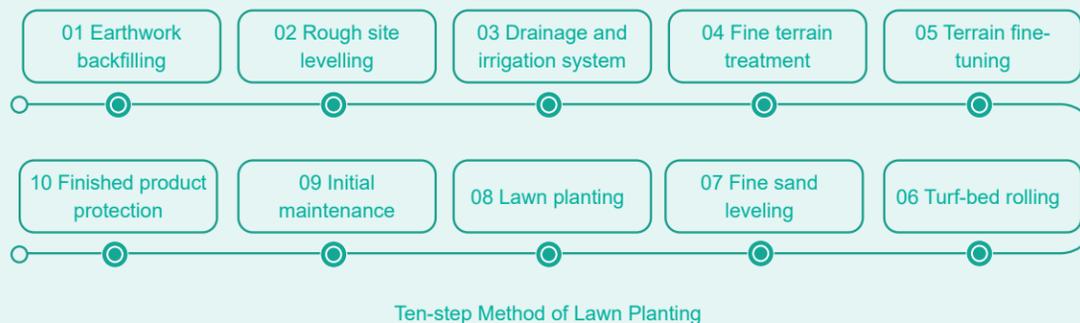
Conservation of Biodiversity

We continue to strengthen biodiversity management in compliance with the relevant laws and regulations of the country and the place where the project is located. Before project development, we fully assess the potential impact of site construction on biodiversity conservation, and formulate compensation measures and plans for conservation and restoration for the impacted sites; carry out risk assessment and investigation to learn about biodiversity factors relating to the project land, give full play to the role of "land bank", and avoid the development and occupation of cropland and greenfield. In 2023, Seazen had no events that had a negative impact on biodiversity.



Case: Improvement of lawn construction and optimization of landscape presentation

This year, Seazen summarized the ten-step method of lawn planting, strengthened the fine control of the process, and thoroughly improved the quality of lawn in the projects delivered, giving a better visual experience to residents. The enhanced visual effect of the landscape improves the community aesthetically.



Changsha Guanshanyin Project



Seazen Yuejun Xuefu Project in Wuqing District, Tianjin

Green Finance Empowerment

The Group established a green bond framework in June 2021 as an important step in promoting green finance. Sustainalytics, an independent third-party rating agency, provided green certification and issued a second-party opinion on the framework. It obtained the "Green Finance Pre-issuance Stage" certificate issued by the Hong Kong Quality Assurance Agency (HKQAA), marking a milestone in the development of the sustainability system.

- On July 15, 2021, the Company completed the issuance of US\$300 million 4.25-year green senior notes with a final coupon rate of 4.625%. This is the first green bond issued by Seazen, marking a critical step towards green finance. It has been widely recognized by ESG investors in the market.
- On June 2, 2022, the Company completed the issuance of US\$100 million green senior notes. The green bond will help to broaden the Company's financing channels, optimize the capital structure, and raise its financial competitiveness.
- In July 2023, the Company successfully issued a green CMBS (Commercial Mortgage-Backed Securities) worth 1.316 billion yuan.

Going forward, Seazen will continue to practice philosophy of green operation and plan to invest in eligible green projects through green bonds or loan financing, including green buildings, renewable energy, sponge cities, waste gas treatment and social responsibility, in response to the national call for carbon neutrality as well as green and low-carbon development policies.

## Leading Green Buildings and Commerce

In the face of industry-wide pressure in 2023, Seazen relied on the strategic advantage of "residence + commerce", set its sights on energy conservation and environmental protection, stressed the integration of economy, environment and society, and initiated all-round "green" transition.

### Green Design and Construction

In 2023, we strengthened green design and development, stepped up research on green technology, and explored new materials and new processes for technological progress and sustainable development in the construction industry. In the process of construction, we set work standards, take full account of the impact on surrounding communities and the environment, and apply a variety of low-carbon and environmental protection technologies.

Green Design

Seazen follows domestic and foreign green building certification standards in the design and planning of green buildings, and has formulated the *Green Building Policy*. We have successively promoted the compilation of *Green Building Project Construction Guidelines*, *Standardization Documents of Health and Safety Management System*, *Standardization Documents of Environmental Management System* and others. We uphold the principles of environmental protection and responsible development, and effectively reduce carbon footprint and environmental impact throughout the life cycle of buildings.

We have integrated the concept of environmental protection into the life cycle of buildings, and have established a sound low-carbon technology system in terms of building site planning, building shape, envelop enclosure, selection of water-saving appliances, indoor health and environmental protection, use of renewable energy, prefabricated design, among others, with consideration to the linkage between buildings, natural ecology and human settlements.

All green building projects under the Group's business scope meet the design requirements of the national "Assessment Standard for Green Building" (GB/T 50378-2019). Guided by the Group's green and low-carbon campaign, Seazen promotes certification for green and healthy buildings, and expands the number and area of sustainable building certification projects, in an effort to achieve thorough "greening" of the enterprise.

Research and Development of Green Technologies

For the research and development of green innovative technologies, Seazen consistently improves the green technology innovation system, develops innovative technologies such as new materials, new processes, and new technology applications, combines technological achievements with practices, and increases the application of green technologies, contributing to a better future of harmony of man and nature.

Green Construction

In the process of construction, Seazen always puts the environment and the needs of surrounding communities first, and observes standards and guidelines such as *Evaluation Standard for Green Construction of Building*, *Guidelines for Green Construction Technology* and *Management Specification of Green Construction*. The Company has formulated and implemented 105 pieces of measures covering water saving, energy saving, dust reduction, noise abatement, and so on. It continuously increases the granularity of construction management, and promotes green construction.

Seazen consistently promotes the implementation of green construction. We focus on controlling pollution at source and also minimizing the environmental impact during construction by adopting state-of-the-art environmental technology and equipment. Also, we communicate and cooperate with surrounding communities to learn about and address their needs and concerns in a timely manner, ensures that construction activities do not affect the community, and fulfills our corporate social responsibility.

Take multiple measures to reduce the negative environmental impact of building construction

<p><b>Conserve energy and resources</b></p> <p>Adopt power-saving machinery and equipment to reduce energy consumption</p> <p>Establish a foundation pit dewatering collection and treatment system at the construction site to promote water resource recycling</p> <p>Fulfil the concept of green office, and use electronic construction logs and other materials instead of paper documents</p>	<p><b>Waste management</b></p> <p>Improve the waste management system, and formulate and implement plan for the minimal use and recycling of construction waste</p> <p>Use clear signs for waste storage places on the construction site, and collect waste parts, welding electrodes, waste paper and other garbage</p> <p>Build construction waste dumping ground or construction waste room, and engage a professional organization for its disposal</p>
<p><b>Dust control</b></p> <p>Set up vehicle washing facilities and spraying dust reduction facilities at the entrances and exits of the construction site, and cover exposed site and earthwork</p> <p>Hardening or greening of the construction site</p> <p>Designate personnel to be responsible for dust and noise reduction at the construction site, and use effective measures such as water sprinkling, fencing, and covering to reduce dust to a minimum</p>	<p><b>Noise pollution prevention</b></p> <p>We observe the "Environmental quality standard for noise" (GB3096), take measures such as integrated construction technology, online testing equipment, construction of noise shelters and on-site installation of noise detectors to effectively prevent and control noise pollution</p>

Green Buildings

We have always stuck to high standards and rigorous requirements, made further exploration and R&D in green building certification, and piloted the development of advanced concepts and products such as prefabricated buildings, ultra-low energy buildings, and smart buildings, so as to seize new opportunities presented by green development.

Green Building Targets

- From 2024 to 2025, accumulate at least 3 high-star green building certifications and labels
- Ensure that all newly constructed residential and office buildings meet 100% of China's Green Building Basic Requirements (or equivalent international standards such as LEED certification)
- Commit to achieving comprehensive green building certification coverage for new projects by 2025 and actively participate in green building renovations/certifications for existing buildings
- Encourage active applications for high-star green building certifications and labels, with the proportion of high-star green building project developments increasing annually

In 2023, the Group made breakthroughs in green building certification:

- Obtained **1** pre-certification of LEED Gold for Commercial projects and **1** pre-certification of LEED Gold for Residential projects
- Obtained **1** National Green Building Operation Label for Residential projects (2014 version, two-star rating)
- Obtained **4** National Green Building Operation Labels for Shopping Center projects (2019 version, two-star rating for 2 projects, one-star rating for 2 projects)
- Accumulated a total of **42** National Green Building Operation Label projects, **4** National Intelligent Building projects, **2** ultra-low energy consumption buildings, **12** LEED certifications, and **3** WELL certifications over the past three years

International Certifications for Seazen Projects

<b>LEED Gold</b> Taiyuan Wanbailin Wuyue Plaza	<b>LEED Gold</b> Wuhan Caidian Wuyue Plaza	<b>LEED Gold</b> Zhangzhou Longwen Wuyue Plaza
<b>LEED Gold</b> Lanzhou Anning Wuyue Plaza	<b>LEED Gold</b> Yibin Cuiqing Wuyue Plaza	<b>LEED Gold</b> Nanjing Feili Bowan
<b>WELL Gold</b> Nanjing Feili Bowan	<b>LEED Gold</b> Taizhou Hailing Wuyue Plaza	<b>WELL Gold</b> Taizhou Hailing Wuyue Plaza
<b>LEED Gold</b> Nanjing Jianye Wuyue Plaza	<b>LEED Gold</b> Yantai Zhifu Wuyue Plaza	<b>LEED Gold</b> Tianjin Baodi Wuyue Plaza
<b>LEED Gold</b> Changzhou Tianning Wuyue Plaza	<b>LEED Gold pre-certification</b> Changzhou Seazen Jiuxi Taiyuan	<b>LEED Gold pre-certification</b> Changzhou Feilong Wuyue Plaza

Green Building Certification of Seazen residential projects

Issued by	Certified star level	Project name
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Changzhou Yuehua Mingyuan
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Changzhou Jiuxi Taiyuan
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★	Changzhou Yujuan Garden
Foshan Municipal Bureau of Housing and Urban-Rural Development	★	Residence No. 11-12, Yiming Garden in Foshan
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Huai'an Wuyue Shoufu (Buildings 2-10)
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Qidong Diehu Garden
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Suzhou Xiangman Yayuan
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Suzhou Yuejuan Garden
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Changzhou Yue Jun Garden 5#8#9#

Green building certification for Seazen Wuyue Plazas

Issued by	Certified star level	Project name
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Taizhou Taixing Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Nantong Qidong Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Suzhou Kunshan Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Suzhou Xiangcheng Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Changzhou Tianning Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Changzhou Liyang Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Changzhou Jintan Wuyue Plaza
Xi'an Municipal Bureau of Housing and Urban-Rural Development	★	Xi'an Fengxi Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Nanjing Jianye Wuyue Plaza

Issued by	Certified star level	Project name
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Yangzhou Baoying Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Yangzhou Gaoyou Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★	Yangzhou Hanjiang Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Zhenjiang Yangzhong Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Zhenjiang Dingmao Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Zhenjiang Jurong Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Nantong Rugao Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Yancheng Dafeng Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Taizhou Xinghua Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Yancheng Dongtai Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Huai'an Lianshui Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Yancheng Sheyang Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Yancheng Yandu Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★	Lianyungang Ganyu Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Lianyungang Haizhou Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Huai'an Shengtai Cheng Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Nanjing Yuhua Wuyue Plaza
Science and Technology Development Center of Jiangsu Provincial Department of Housing and Urban-Rural Development	★ ★	Xuzhou Jiawang Wuyue Plaza
Anhui Provincial Department of Housing and Urban-Rural Development	★ ★	Tongling Tongguan Wuyue Plaza
Wenzhou Municipal Bureau of Housing and Urban-Rural Development	★	Wenzhou Longwan Wuyue Plaza
Zhangzhou Municipal Bureau of Housing and Urban-Rural Development	★ ★	Zhangzhou Longwen Wuyue Plaza
Baotou Municipal Bureau of Housing and Urban-Rural Development	★	Baotou Kunqu Wuyue Plaza
Nanchang Municipal Bureau of Housing and Urban-Rural Development	★	Nanchang Jinxian Wuyue Plaza
Department of Housing and Urban-Rural Development of Guangxi Zhuang Autonomous Region	★ ★	Guigang Gangbei Wuyue Plaza



### Case: Changzhou Seazen Jiuxi Taiyuan received LEED Gold Pre-certification

In 2023, Seazen Jiuxi Taiyuan in Changzhou was awarded the LEED Residential Gold Pre-certification by the U.S. Green Building Council (USGBC). The project integrates the domestic and foreign green benchmarking systems and upholds high standards in terms of energy saving rate, environmental protection, comfort and other factors, demonstrating Seazen's unremitting explorations in the field of green and low-carbon buildings.

#### Green eco-friendly building materials

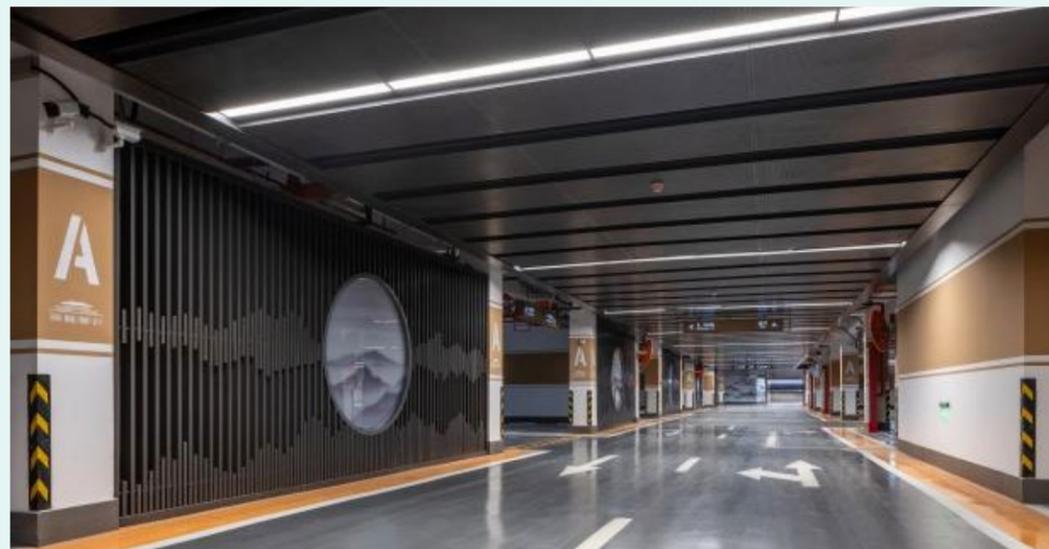
Reduce the VOCs content of materials at source

#### Green and low-carbon design

- Water-saving appliances: Indoor water consumption is reduced by  $\geq 50\%$ , and the annual savings per household are equivalent to domestic water consumption of a person for 1.5 years
- Renewable energy: Investigate the economic and environmental benefits of air-source heat pump heaters
- Adopt BIM technology for basement design, having regard to functionality and spatial aesthetics



Schematic Diagram of the Key Technology of Seazen Jiuxi Taiyuan in Changzhou



Optimized Design of BIM Basement Technology

#### Low-impact ecological development

Under the principle of "ecological priority", the natural drainage route is combined with artificial measures, in conjunction with the surrounding ecological environment, thereby achieving efficient water collection for balanced ecology and optimizing the microclimate of the project

### Prefabricated Buildings

Seazen regards prefabricated buildings as an important path to promote the industrialization of buildings and continues to carry out prefabricated construction in order to drive the green and healthy development of the construction industry. Through the application of new technologies, such as 7 types of assembly systems like prefabricated internal partition panels, we increase the use of prefabricated building components and parts, and reduce construction waste, energy consumption and dust pollution in the construction process.

In 2023, about 45% of Seazen's new development projects adopted prefabricated construction, with a cumulative area of over **23 million** square meters. It applied 7 types of assembly systems, with a maximum prefabrication rate of **95%**.



Shandong Province Prefabricated Demonstration Project - Zhifu Wuyue Shoufu Project in Yantai

### Ultra-low Energy Buildings

Given the current building technology and the process of carbon peaking in the construction field, the large-scale construction of ultra-low energy buildings is a key task for the execution of the "dual carbon" strategy in China's construction field. Seazen has made active efforts to promote the development of ultra-low energy buildings. The Company formulated *Guidance Manual for the Whole Process of Ultra-low Energy Consumption Residential Buildings* setting out the relevant rights and responsibilities, standards, processes and key control points, and strengthens the control and guidance of ultra-low energy buildings to ensure that the energy consumption standards are met and corresponding certifications are obtained, thereby promoting the application of ultra-low energy buildings.



### Case: Cangzhou Seazen Xiyue Chunqiu - the first ultra-low energy building in Hebei meeting new standard

Cangzhou Seazen Xiyue Chunqiu residential project passed the expert review for ultra-low energy buildings. The project slashes energy consumption to reduce the energy fees of owners while improving their living environment and quality of life, creating excellent economic and social benefits. The project has a total area of **12,468.51** square meters dedicated to ultra-low energy consumption buildings.



Cangzhou Seazen Xiyue Chunqiu Residential Project

Smart Buildings

Seazen is committed to developing modern smart building technology, and employs an array of advanced scientific and technological means to realize real-time monitoring and remote control of buildings' interior environment, equipment status, etc. This improves the management efficiency and comfort of buildings while reducing energy consumption and operating costs.



Case: Changzhou Tianning Wuyue Plaza received national three-star smart operation label for smart building

Seazen participates in the research on the mainstream smart building certification systems. In 2023, Changzhou Tianning Wuyue Plaza applied for certification under the *Assessment Standard for Smart Building T/CABEE 002-2021* certification system of China Association of Building Energy Efficiency, becoming one of the first projects to win the national three-star smart operation label for smart buildings.



The label is evaluated based on six dimensions: architecture and platform, safety and security, efficiency and convenience, green and energy saving, health and comfort, innovation and features.

Green Business

Building green shopping malls is an essential part of the "Green and Low-Carbon Blueprint" of New Blue Action. As the core commercial part of Seazen, Wuyue Plaza focuses on green construction, the standardization and integration of green technology, and intelligent operation and management.

During the reporting period, a total of 29 Wuyue Plazas passed the green mall certification (bringing the total to 85), surpassing the preset target of 25 plazas. It reflects the green concept followed by Seazen throughout design, construction and operation management. It creates eco-friendly shopping malls to provide customers with a healthier, more comfortable and sustainable shopping environment.

Precise Green Operation and Maintenance

In order to enhance smart business and precise green operation and maintenance, Seazen has taken 15 pieces of full-cycle green and low-carbon measures in its green business operation and maintenance scenarios. This strengthens precise and intelligent management, and achieves energy saving, consumption reduction, smart management, and green operation.

Green project construction to protect urban environment

BIM design and construction

- In the preliminary design and construction stages, BIM is used for modeling to achieve a reasonable layout, precise positioning, beautiful appearance, easy maintenance, and reduced material loss

Construction waste management

- Strictly control waste recycling, observe national and local laws and regulations as well as the requirements of the U.S. green building evaluation system, and achieved a centralized waste recycling rate of over 95%

Eco-friendly materials

- Use eco-friendly paints to control VOCs<sup>2</sup> that result from materials at source in order to create a healthy-friendly space with better indoor air quality

Standardization and integration of green technology, and energy conservation and emission reduction in multiple dimensions

High-efficiency HVAC systems

- It has an efficient refrigeration system including McQuay and York water chilling units, with excellent performance in thermal energy conversion and thermodynamic effectiveness
- Environmentally-friendly refrigerant R134a is used to reduce the impact on the atmospheric ozoneosphere due to fugitive refrigerant emissions

Rainwater management and reuse

- Rainwater collection ponds are built in underground areas to collect and purify rainwater around the commercial area, effectively avoiding the risk of urban flooding
- The stored rainwater is reused after process treatment for greening irrigation, road sprinkling and others

Green roofing

- Adopt an advanced passive design concept, and build greening roofs of over 3,500 square meters. Select local dominant species to reduce the heat island effect, thereby reducing carbon emissions

Photovoltaic power generation systems

- Install distributed rooftop photovoltaic power generation system to increase the proportion of clean energy, reduce energy consumption for buildings, and construct advanced low-carbon buildings

Water-saving appliances

- The reduction of indoor water consumption is greater than 50% by using water-saving appliances and reusing rainwater

<sup>2</sup> 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.

Carry out smart management and green operation, and advocate the concept of environmentally friendly consumption

Precise measurement

- Accurate metering in the operation process. We set up the master electricity meter for the shopping mall, and sub-meters for lighting and air conditioning in the public area, and elevator electricity consumption. Merchants keep abreast of energy consumption through shop-by-shop metering

Intelligent monitoring system

- During the operating period, the brightness of all large screens in the plaza is adjusted from 100% to an average of 50%, saving about 1.5 million kWh of energy per year. It is expected to save about 1.2 million yuan in electricity costs and reduce carbon emissions by 1,400 tons

Indoor environmental quality

- The new cloud intelligent monitoring system is used to analyze and compare energy consumption metering and achieve efficient O&M

Energy-saving products

- Adopt the intelligent store closure system rental model, with an average of 71 terminal devices per plaza for online video remote store closure, thereby improving store closure efficiency. It is highly praised by merchants

Low-carbon transportation

- Conduct real-time monitoring of indoor environmental quality by region, and link CO<sub>2</sub> concentration monitoring system and fresh air equipment in crowded places; link CO concentration monitoring system and exhaust air units in underground garage area to ensure good indoor air quality

Waste sorting and recycling

- Raise energy conservation and environmental protection requirements for cooperative enterprises, and prioritize energy-saving products that have national high efficiency level to minimize energy consumption

Smoke-free management

- Set up a number of charging piles and charging parking spaces in the underground parking garage, and add barrier-free parking spaces and new energy vehicle charging facilities in accordance with green mall construction standards

- Control parking lots by region according to the characteristics of the operating traffic flow on festivals and holidays and weekdays, saving about 4 million yuan in annual energy cost for mall management and reducing carbon emissions by approximately 4,900 tons

- Install garbage cans for garbage sorting and renewable resources recycling bins for garbage sorting and recycling, increasing resource utilization efficiency

- Smoking is prohibited, and no-smoking signs and outdoor smoking points are set up to ensure fresh indoor air

Smart Management Building "Strongest Brain" for Shopping Malls

Seazen has innovatively developed an intelligent new cloud control system, which diagnoses the operation status according to the system's operating parameters. It optimizes the equipment and operation strategy under overall planning and improves the O&M efficiency for the intelligent and healthy operation of each system.



Seazen Intelligent New Cloud Control System



Case: Changzhou Feilong Wuyue Plaza obtained LEED Gold Pre-certification as a modern green mall

In March 2023, Changzhou Feilong Wuyue Plaza received the LEED Gold Pre-certification for New Buildings issued by the USGBC. In the process of construction, Changzhou Feilong Wuyue Plaza followed the principle of integrated design in light of local conditions, starting with ecology. It conducted a thorough investigation of the building in terms of six dimensions of "siting and transportation", "sustainable site", "water use efficiency", "materials and resources", "indoor environmental quality" and "energy and atmosphere", reducing negative impact on the environment and residents.



Changzhou Feilong Wuyue Plaza



Changzhou Feilong Wuyue Plaza's LEED Gold Pre-certification Certificate

Green Leasing

Seazen has formulated the *Green Leasing Guidelines*, signed the *Green Lease Agreement* with tenants, and implemented a slew of energy-saving and consumption reduction management schemes including the promotion of triple net leasing. It put forward initiatives and requirements on green operations for merchants, including prioritizing green products, sorting garbage correctly, publicizing energy conservation and environmental protection, etc., encouraging merchants to set electricity and water use targets linked to their operations, and raising the awareness of electricity and water saving. On this basis, Seazen considers the green operation performance of merchants through the green lease evaluation system, and improves the overall performance of merchants in green operations through the incentive mechanism.

Green Leasing Guidelines

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

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

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

Establish a green leasing evaluation system, grade the behavior of merchants every year, and provide incentives for merchants with outstanding performance in green operation



### Case: Leasing of high-efficiency range hoods

We promote the green leasing model of high-efficiency range hoods at catering shops in the newly built Wuyue Plaza, install an online cooking fume emission monitoring platform and incorporate it into the new cloud platform according to the control requirements for environmental protection emissions. In 2023, Seazen further promoted the implementation of green leasing for efficient fume extraction equipment. It signed green leasing contracts with multiple catering fume merchants, unified fume cleaning and equipment maintenance, effectively reducing emissions of "three kinds of wastes," and promoting the coordinated development of commercial operations and environmental protection.



### Case: Smart store closure system leasing

It is time-consuming and labor-intensive to close shopping malls in a traditional way. Wuyue Plaza implements the intelligent store closure system leasing model to address this problem. This model realizes the functions of store closing queuing strategy, cloud video storage, timely correction of problems, and centralized background supervision. It reduces the risk of security breaches and labor costs, and shortens the store closing time from the previous 2 to 4 hours to less than half an hour through more efficient practice of "turning off the water, electricity, and gas, closing the kitchen door, and clearing fire partition and debris in the fire escape". The practice is highly recognized by merchants.



## Control of Environmental Impact

### Environmental Management Measures

Seazen has always felt it its responsibility to protect the ecological environment, and strived to improve environmental governance in response to a call for ecological progress. The Group abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, the *Energy Conservation Law of the People's Republic of China*, and refers to the requirements of the energy management system including ISO 14001, and ISO 50001.

In terms of water resources management, the Group fully promotes facilities for rainwater regulation, roof greening, permeable pavement and others in its operating sites in order to increase rainwater reuse, promote the healthy cycle of urban water ecosystems, save water resources, reduce costs and increase efficiency, improve the urban ecological environment, and create a better living environment for the public.

In terms of waste disposal, Seazen follows the concept of circular economy, conducts in-depth monitoring and management at the source of emissions under the principle of "reduced use, harmless treatment and recycling", and improves recycling and reuse. We dispose of wastewater and waste gas generated in the process of operation in accordance with the law, and select qualified third-party professional disposal institutions to ensure reasonable and safe waste disposal throughout.

During the reporting period, Seazen strengthened environmental governance and its ability to respond to environmental emergencies, and optimized regulations on climate change, water resource management, waste management, biodiversity conservation and emergency response in a timely manner in accordance with the relevant documents such as *Environmental Management Policy*, the *Sustainable Development Policy* and the *Emergency Response Guidelines*.

### Energy Conservation and Emission Reduction Campaign

In 2023, Seazen further explored effective ways to save energy and reduce emissions. In terms of resource management, the Group has formulated routine management procedures such as the *Regulations on Energy Conservation Management* and the *Implementation Rules for Technical Supervision of Energy Conservation* with reference to the *Energy Conservation Law of the People's Republic of China* and other relevant laws, regulations and industry regulations, compiled and issued the *Comprehensive Energy Design Standards and Implementation Technology Manual*, and put into practice comprehensive energy conservation management measures including benchmarking evaluation and hierarchical management. In 2023, fourteen comprehensive energy projects were completed and put into operation, with a comprehensive energy carbon reduction of 7,500 tons (excluding photovoltaics, etc.). Furthermore, Seazen raises requirements for employees' energy-saving behavior in work and daily life, in order to raise the awareness of conservation.



### Case: Efficient energy management of Wuyue Plaza in Xinyang, Zhengzhou

In April 2023, Xinyang Wuyue Plaza in Zhengzhou passed the green building label review organized by the Henan Provincial Department of Housing and Urban-Rural Development and received the two-star green building label, becoming the first large-scale commercial project in Henan Province to receive this certification since the implementation of the 2019 version of the *Assessment Standard for Green Building*.

In Xinyang Wuyue Plaza in Zhengzhou, the energy management system is connected to the new cloud system for monitoring of the main energy consumption equipment and key energy-consuming areas in Wuyue Plaza, so as to achieve visible, comprehensive and fine management of energy consumption, and promote energy conservation and efficiency enhancement.

Xinyang Wuyue Plaza uses multi-dimensional active design to save electricity and water and slash the energy consumption of buildings, thereby reducing energy costs in the operation process. The one-year carbon emission of the project is 62.88kg CO<sub>2</sub>/(m<sup>2</sup>\*a), which is a 10% reduction in energy consumption compared with conventional commercial projects, or equivalent to planting 37,962 trees.



Two-star Green Building Certification for Xinyang Wuyue Plaza in Zhengzhou



The Interface of Energy Management System Used by Xinyang Wuyue Plaza in Zhengzhou

### 郑州荥阳吾悦广场 主动式设计

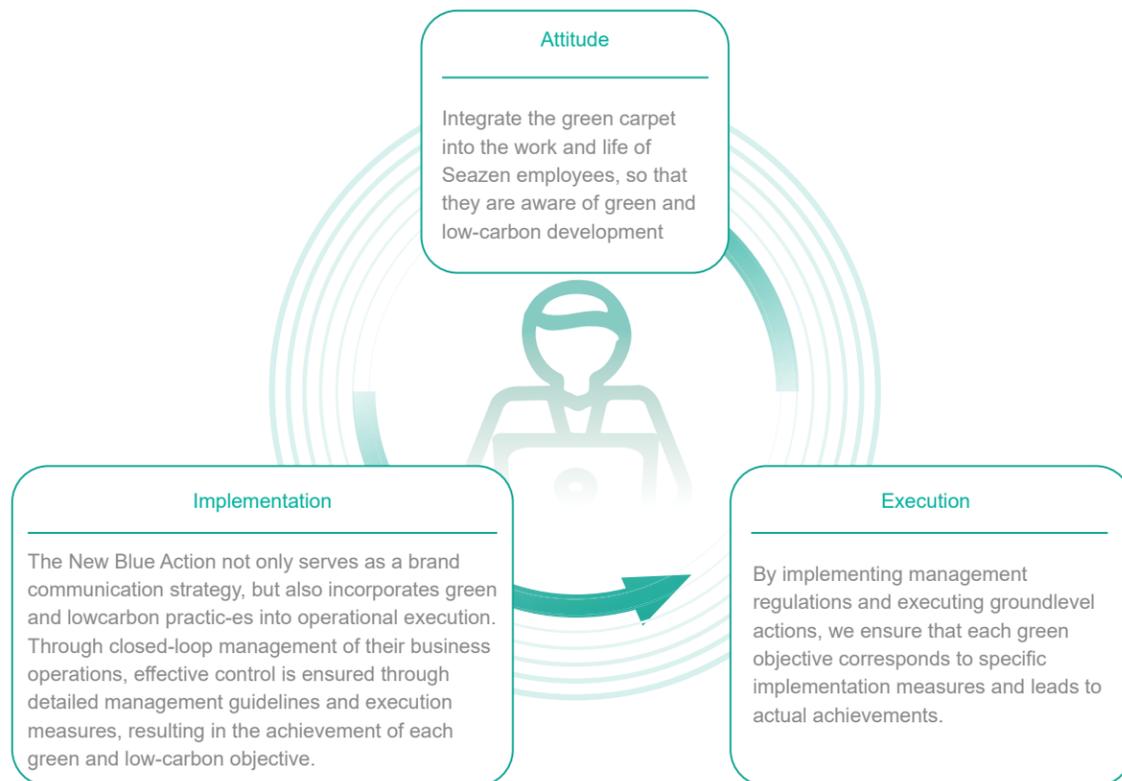
- 高效空调系统
- 节能灯具
- 节水器具
- 微喷灌溉系统
- 雨水回收系统

项目1年碳排放量=62.88kgCO<sub>2</sub>/(m<sup>2</sup>·a)  
= 节约10%能耗 (相比常规商业项目)  
≈ 种植37,962棵树



### Green Office

Advocating green office is a key component of New Blue Action. In the four dimensions of office environment, ways of work, office equipment and low-carbon life, Seazen has taken green energy-saving office measures, and encouraged employees to embrace green office by saving paper, electricity and water, posting energy saving signs, etc., making green office a new trend in Seazen.



We launched the “Green XIN Campaign” initiative to guide all employees to immediately do what they can in daily work and life to the goal and raise their energy saving awareness.

Going forward, Seazen will continue to follow the concept of green development, strengthen environmental governance and protection, and seek new models of energy conservation, emission reduction and circular economy. It works and innovates continuously to better contribute to ecological progress and sustainable development.

**#绿色XIN倡议#倡议**

从身边开始，推行无烟环境及垃圾分类，爱护生态尊重自然，一起营造舒适健康的工作环境

- 安全用电**  
用电不当，≈50.4%火灾引发原因
- 禁止吸烟**  
每天1支烟，≈9吨碳排放（按中国3亿烟民计算）
- 垃圾分类**  
将减少24%碳排放量

从小事做起，践行高效低耗、无废无污染及资源再利用等节能减排措施，一起打造绿色节能的办公方式

- 节约用纸**  
使用1张A4纸，≈26kg碳排放（以一万人数量为基数计算）
- 随手关水**  
少流1分钟，≈减少163.8kg碳排放（以一万人数量为基数计算）
- 节约用水**  
每天节约1L水，≈减少9.1kg碳排放（以一万人数量为基数计算）
- 随手关机**  
电脑开启24小时，≈432g碳排放

从身边出发，倡导光盘行动及绿色出行，养成绿色环保意识，一起践行低碳环保的生活方式

- 光盘行动**  
中国1年食物浪费，≈11亿吨碳排放（摘自2021年人民日报数据）
- 节约用电 少乘电梯**  
步行楼梯1层，≈减少218g碳排放

“Green XIN Campaign” Initiative

Environmental Performance

During the reporting period, Seazen set targets for carbon dioxide emissions, energy consumption, resource use, among others, and marched towards the set targets in an orderly manner.

Energy and resource consumption in 2023<sup>3,4</sup>

	Unit	2023	2022	2021	Rate of change in 2023 <sup>5</sup>
Gasoline	Ten thousand litre	8.98	4.26	55.14	111%
Natural gas	Ten thousand m <sup>3</sup>	2,003.88	1,428	1,283.31	40%
Direct energy consumption	MWh	55,037	39,169	36,380	40%
Electricity	MWh	679,240	591,825	588,720	15%
Amount of green electricity purchased	MWh	135,380	19,570	14,580	592%
Heat	GJ	355,260	410,461	287,700	-13%
Indirect energy consumption	MWh	535,406	587,845	603,420	-91%
Total energy consumption	MWh	590,443	627,014	639,800	-6%
Intensity of energy consumption	MWh/RMB million of rental and management fee income from urban complexes	52.14	62.66	63.94	-17%
Water consumption	Tons	20,512,761	16,610,574	15,756,327	23%
Water intensity	Tons/RMB million of rental and management fee income from urban complexes	1,882.58	1,697.36	1,877.14	11%

<sup>3</sup> As the Group's operation does not involve the use of product packaging materials, KPI A2.5 is not applicable.

<sup>4</sup> 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 2023, the Group updated the statistical scope for water consumption and water intensity data for the past three years. Therefore, the data for 2021 and 2022 were restated based on this scope.

<sup>5</sup> Seazen's Board of Directors attaches great importance to the setting of ESG goals and daily tracking. The 2023 increment rate is the regular tracking and supervision of Seazen's Board of Directors on the 2025 green commitment goals. This year, due to the economic and business activity recovery, there has been an increase in energy and water consumption during operations.

Waste discharge in 2023<sup>6</sup>

	Unit	2023	2022	2021	Rate of change in 2023
Kitchen waste	Tons	6,009	2,251.88	4,256	167%
Domestic waste	Tons	223,589.6	110,105.35	143,797	103%
Construction waste	Tons	95,089	53,170.87	18,085	79%
Total discharge of non-hazardous waste discharged	Tons	324,687.6	165,528.1	166,138	96%
Intensity of greenhouse gas emissions	Tons/RMB million of rental and management fee income from urban complexes	29.80	16.91	19.79	76%

Data on greenhouse gas emissions<sup>7</sup>

	Unit	2023	2022	2021	Rate of change in 2023 <sup>8</sup>
Scope 1: Direct energy emissions	tCO <sub>2</sub> e	43,526.69	30,968.75	28,972.00	41%
Scope 2: Indirect energy emissions	tCO <sub>2</sub>	451,064.13	498,798.51	503,716.00	-10%
Total of Scope 1 + Scope 2 greenhouse gas emissions	tCO <sub>2</sub> e	494,590.81	529,767.26	532,687.00	-7%
Scope 1 + Scope 2 GHG emissions intensity	tCO <sub>2</sub> e /RMB million of rental and management fee income from urban complexes	43.68	52.94	53.24	-18%

<sup>6</sup> 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. In 2023, the Group updated the statistical scope for waste discharge data for the past three years. Therefore, the data for 2021 and 2022 were restated based on this scope.

<sup>7</sup> The statistical caliber of carbon emissions in 2023 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.

<sup>8</sup> Seazen's Board of Directors attaches great importance to the setting of ESG goals and daily tracking. The 2023 increase rate is the regular tracking and supervision of Seazen's Board of Directors on the 2025 green commitment goals.



# 04

## FOLLOWING A PEOPLE-ORIENTED APPROACH FOR A HARMONIOUS WORKING ENVIRONMENT

Compliance with Employment Regulations and Protection of Human Rights

Employee Training and Development

Employee Compensation and Benefits

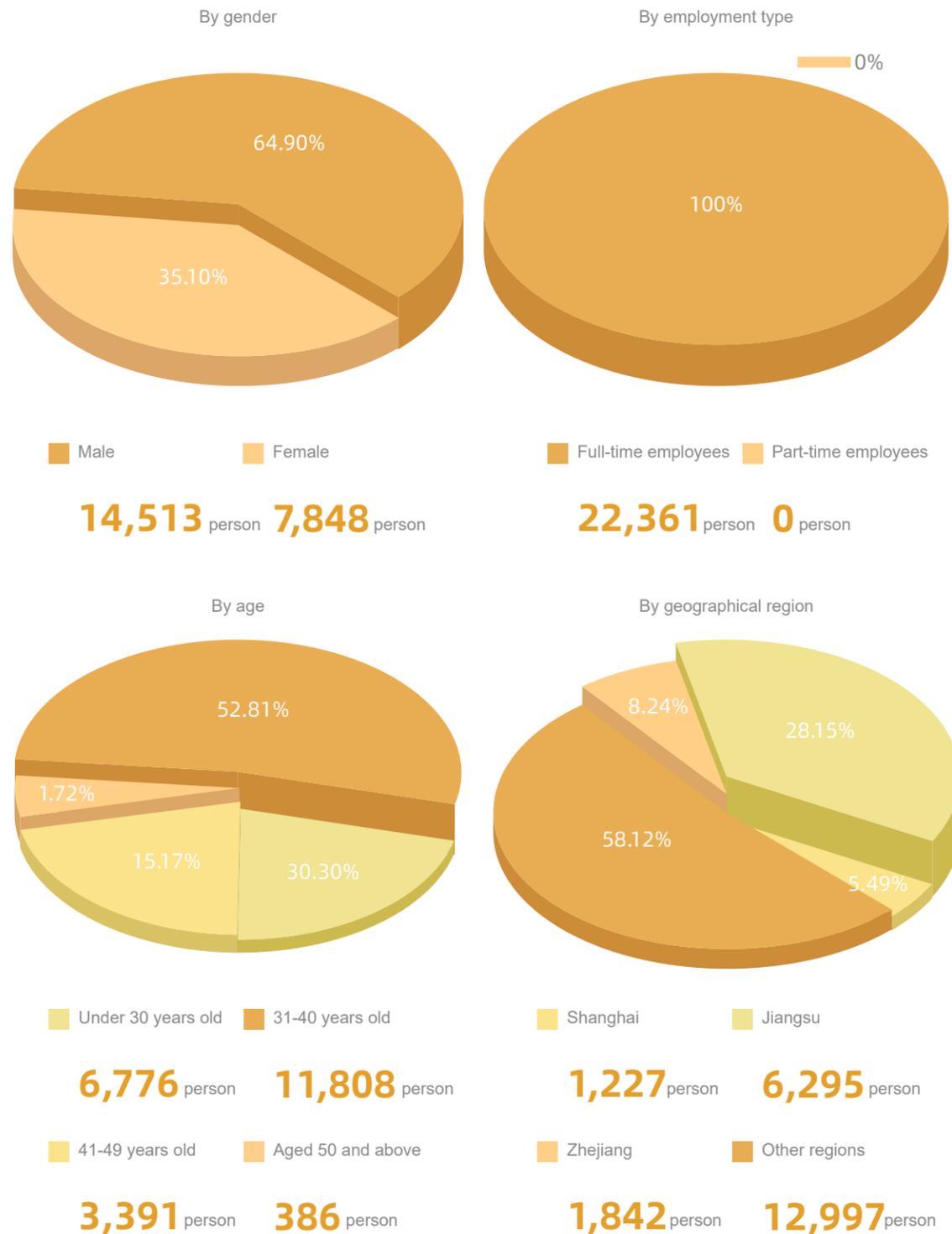
Occupational Health and Safety



Seazen highly regards its employees as invaluable assets essential for corporate development. Adopting a “people-oriented” philosophy, the Company ensures legal protection of employee rights, provides diverse career development opportunities, ensures occupational health and safety, and fosters a happy, harmonious, and inclusive work environment. The Company promotes talent development among Seazen personnel to cultivate and enhance individual value, thereby collectively enhancing Seazen’s overall value and fostering a leading-edge, multidisciplinary talent pool.

Talent Employment in 2023

As of the end of 2023, the group had a total of 22,361 employees. The graph below shows employee data by gender, age, and region:

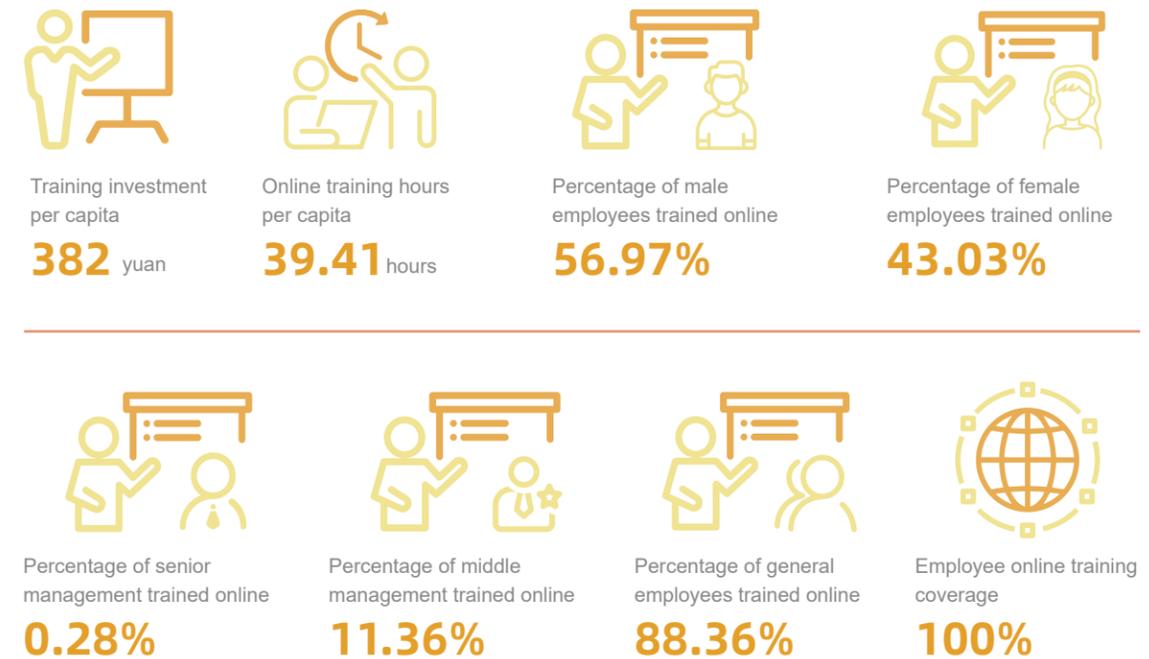


As of the end of 2023, the employee turnover rate of the group was 31.17%. The table below shows turnover rate<sup>9</sup> by gender, age and region:



		Turnover rate
Overall turnover rate		31.17%
By gender	Male	29.5%
	Female	34.06%
By age	Under 30 years old	39.66%
	31-40 years old	28.65%
	41-49 years old	18.33%
	50 and above	30.60%
By geographical region	Shanghai	28.42%
	Jiangsu	31.20%
	Zhejiang	36.17%
	Other regions	30.64%

Training Data in 2023



<sup>9</sup> 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%



## Diversified Talent Introduction

### Employment System

Seazen places great importance on the construction of its employment system and has updated regulations such as the *Seazen Holdings Recruitment Management Measures (2023)* and *Employee Position Appointment Management*. These regulations adhere to the principles of equality, diversity, and equal opportunities in employment. They effectively manage matters such as employee recruitment, labor, salaries, training, promotion, leave, and vacation, ensuring that employee rights are fully protected.

The group has implemented a "5E" recruitment system, incorporating various channels, including social recruitment and campus recruitment, to attract diverse talents. In the case of social recruitment, we adhere to the principle of "internal before external," prioritizing the promotion and development opportunities of internal employees while actively attracting external talents to sustain organizational vitality and foster innovation. For campus recruitment, Seazen's "Xinrui Plan," implemented since 2000 and now in its 23rd edition, targets recent university graduates. Through a series of training programs, it efficiently develops new employees into the professional or managerial backbone of the Company.

### Employees' Team with Diversity

Seazen integrates the principles of diversity and inclusion into its corporate culture, striving to build a diverse and multifaceted talent pool. We uphold the principle of equal employment and adhere to national laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Regulations on Prohibition of Child Labor*. Furthermore, we have established the *Human Rights and Diversity and Inclusion Policy* applicable to all employees, aiming to eradicate all forms of discrimination based on gender, age, region, education, religion, nationality, race, sexual orientation, or disability. To ensure labor rights are protected, we sign labor contracts with employees in accordance with the law, effectively preventing child labor, forced labor, overtime work, harassment, and abuse. In the event of any violations regarding labor rights, we take them seriously, promptly terminate labor relations, and rigorously implement corrective measures. In 2023, there were no instances of discrimination, child labor, or forced labor in the group's employment processes.



### Employee Care

We strictly adhere to national laws and standards and have adopted a diversified approach to employee benefits, offering comprehensive welfare packages. These include annual health check-ups, traffic accident insurance, holiday benefits, special benefits for International Women's Day, family visit benefits, working meal subsidies, communication allowances, vehicle subsidies, overseas assignment allowances, heatstroke prevention allowances, and housing discounts. We continuously enhance employees' well-being.

In 2023, the average paid annual leave per employee in the group was **7.1** days.

Seazen has implemented a mechanism to assist employees in need by creating profiles for those facing difficulties. This enables us to provide more targeted assistance to vulnerable groups and effectively address their actual needs.

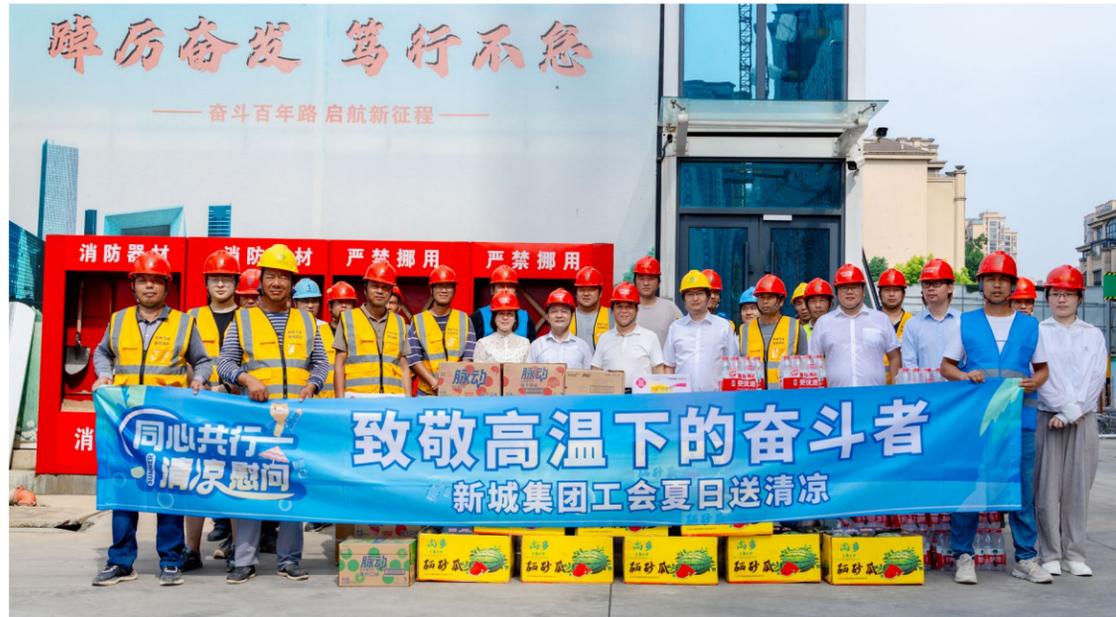
In 2023

The group provided assistance to a total of **110** employees in need, with a total expenditure of

**367,000** yuan.

Additionally, the group extended care and subsidies to **16,000** frontline employees, totaling

**1.05** million yuan.



"Giving Cool" Activity-- Saluting the Fighters in the Scorching Heat

Seazen fosters a vibrant atmosphere of happiness and health through diverse cultural and caring activities, helping employees achieve a balance between life and work. This year, we upgraded our employee club by introducing fitness facilities for female staff and launched the "2023 Happiness Cup Ball Sports League," which engages all employees, fosters deeper friendships, and enhances team cohesion. Additionally, we collaborated with the local trade union to organize offline social events, showcasing an image of "caring and warmth" as an employer. We also conducted retired employees' seminars to help employees alleviate work stress and strengthen team unity.

Establishment of the "Yoga Club"



The Basketball Club



2023 Happiness Cup Ball Sports League



Retired Employees' Seminar



The 10th "Zhen Tu" Large Hiking Event

## Occupational Health Protection

### Occupational Health and Safety Management



Seazen adheres to the safety management philosophy of "safety first, prevention-oriented, and comprehensive management." We implement strict safety management systems and provide regular training to ensure safe production and employees' occupational health. The group continuously enhances safety culture, promotes employees' safety awareness, and fosters a good atmosphere of "safety at all times, in all places, and by everyone."



Seazen strictly adheres to relevant laws and regulations, including 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*. We have formulated policies and procedures applicable to all Seazen employees, suppliers, contractors, and other partners. These include the *Occupational Health and Safety Management Policy* and the *Environmental and Occupational Health and Safety Organization Control Procedures*. These policies and procedures clearly outline the roles, responsibilities, and authorities of personnel involved in environmental and occupational health and safety. The Group implements the *Three-Year Action Plan for Special Rectification of National Work Safety* and meets the requirements of the OHSAS 18000 Safety and Health Management System. Our centralized occupational health system has successfully obtained certification in accordance with the OHSAS 18000 Safety and Health Management System and ISO 45001:2018 Occupational Health and Safety Management System.

In 2023, 4 commercial management companies under Seazen have obtained ISO 45001:2018 certification.

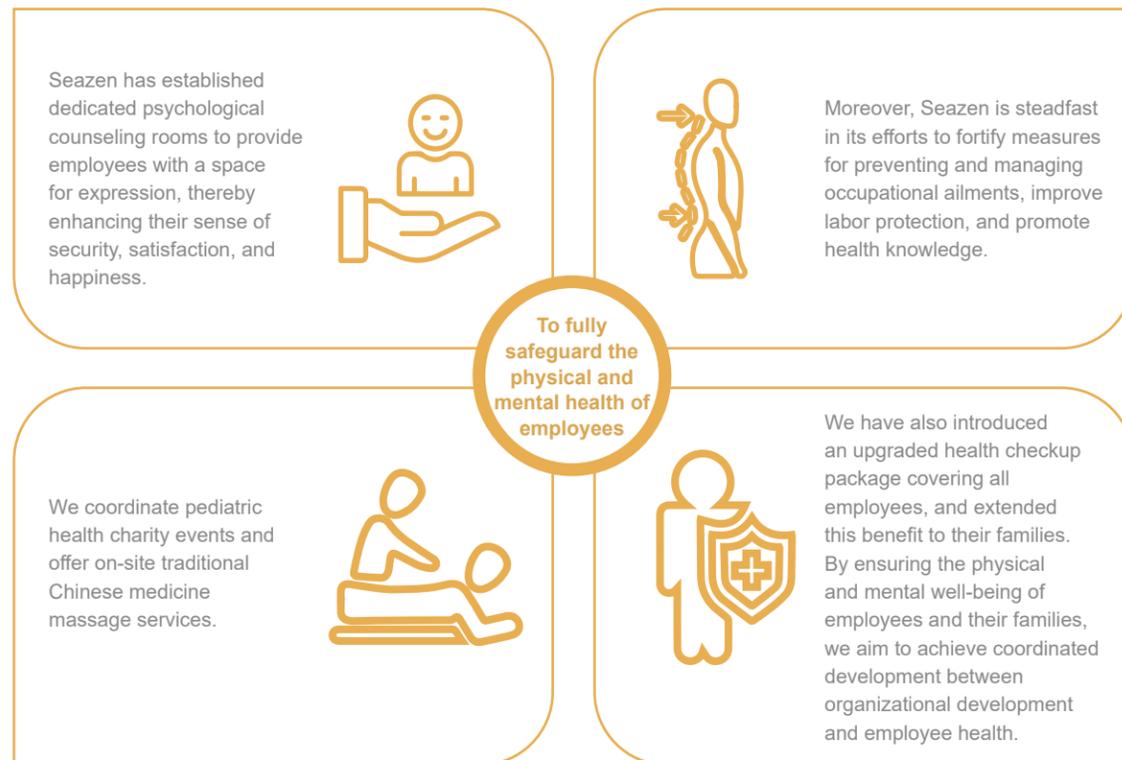
In 2023, the headquarters of Seazen Holdings' business management department and four Wuyue Plazas located in Nanjing Jianye, Changzhou Tianning, Fuyang Yingzhou, and Chuzhou were all certified under the EHS management system, achieving 100% operational coverage. These plazas had previously obtained ISO 45001:2018 Occupational Health and Safety Management System and ISO 14001:2015 Environmental Management System certifications in 2022 and have consistently implemented relevant standards. Seazen successfully passed the 2023 annual supervision audit conducted by Bureau Veritas, a third-party certification company, thereby ensuring the continuous validity of these certifications.



ISO 14001:2015  
Environmental Management  
System Certification

ISO 45001:2018  
Occupational Health and  
Safety Management System

In terms of system construction, Seazen has established a three-tier safety management framework supervised by the Board of Directors and senior management, covering headquarters, regional, and project levels. The ESG Management Committee is also responsible for overseeing the progress of health and safety-related objectives outlined in the sustainable development strategy. Moreover, we integrate occupational health and safety performance into the compensation structure for project leaders and management. This approach effectively implements safety responsibility and performance assessment systems, fostering self-motivation to fulfill responsibilities.



In 2023, we achieved a **100%** coverage rate for annual employee health checkups.

### Safety Assurance Actions and Supervision

Seazen is dedicated to ensuring the health and safety of all employees, suppliers, contractors, and partners. We have established management, monitoring, assessment, and hazard inspection objectives, linking them with the compensation of project leaders and management. We consistently enhance our daily control measures.

In 2023, the Group further increased its investment in safety production, with a total investment in property safety for commercial management engineering of **110.44** million yuan, which was used to promote and implement various safety production tasks.

We have established a comprehensive safety and production responsibility system that extends across all levels and depths of our organization. We have optimized and improved various safety protocols, including *Operational Engineering Management*, *Safety and Civilization Regulations*, the *Safety Accident Reporting System*, and *Safety Quality Management Measures*. These protocols rigorously govern work safety practices, ensuring dual responsibilities for each position and accountability for negligence.

Seazen conducts regular inspections and supervision of safety hazards at both construction and operational sites. Additionally, we engage third-party organizations to assess the safety of all projects, contractor personnel, and equipment. The group also conducts a triennial audit of its health and safety systems and procedures. Furthermore, we are continuously optimizing our emergency management procedures, improving our capacity to prevent and effectively respond to unforeseen incidents. This ongoing optimization enhances our ability to mitigate safety risks effectively.

We continuously enhance our emergency incident management by implementing the *Emergency Incident Reporting Operation Standard*. This standard delineates the timeframes for reporting emergency incidents, outlines penalties and reporting procedures, and establishes relevant responsibility frameworks. We approach safety assurance work from various dimensions, such as production safety, fire safety, and commercial security, thus enhancing our comprehensive perspective and effectively preventing and responding to emergency incidents.

#### Case: Strengthening foundation management and actively preparing for national inspection

In preparation for the annual national inspection, Seazen formulated the *Government Safety Inspection Preparation Work Standard*. We promptly analyzed and summarized the evolving requirements of national inspections across different regions, organized training sessions, and ensured the diligent implementation of various tasks in each region and project to ensure that all Wuyue plazas garnered recognition and commendation.

Seazen understands that the end of the national inspection does not mean the end of safety endeavors. Our capacity to earn recognition and trust from government departments relies on robust and thorough management standards, diligent execution of duties in all positions, assistance from advanced intelligent platform tools, and rigorous management at all levels. In the future, we will continue to adhere to the principle of "strengthening foundation management," using the management standards demonstrated during national inspections as the norm for daily management. We aim to achieve a management state where we can respond to notifications and face inspections calmly at any time.



Equipment and Facility Inspection



Merchant Safety Inspection



Fire Safety Knowledge Training



Fire emergency drill

To enhance safety awareness, Seazen has implemented an occupational health and safety training system, offering diverse training programs to all employees, part-time staff, and contractors. The Company actively fosters a safety culture. In 2023, the safety training coverage rates for residential development phases and for commercial complex development phases, all reached 100%, demonstrating the effectiveness of safety training efforts.

Indicators	Unit	2021	2022	2023
<b>Data on safety training in residential development phases<sup>10</sup></b>				
Safety training coverage rate	%	100	100	100
<b>Data on safety training in commercial complex development phases<sup>11</sup></b>				
Number of safety training sessions	Number	318	308	311
Safety training coverage rate	%	100	100	100
<b>Data on safety training during the operation and management phases of commercial complex<sup>12</sup></b>				
Safety training covered person-times	Ten thousand person time	28.32	29.48	85.16
Number of safety training sessions	/	12,116	1,424	20,095
Total investment in safe production	Ten thousand yuan	7,609.34	9,789.93	11,044
Number of general and above work safety accidents	Since	0	9	0
Number of employees suffered from minor injuries	Person	1	1	0
Number of work-related fatalities	Person	0	1	0
Mortality rate per thousand	‰	0	0.07	0
Serious injury rate per thousand persons	‰	0	0	0
Lost days due to work injury	Day	103	93	0
Emergencies	Since	65	23	21
Safety accidents	Since	0	0	0
Large potential safety hazards	Item	28	137	116
Major safety hazards	Item	0	0	0
Rectification rate of safety hazards	%	100	100	100

<sup>10</sup> The above statistics only include data on safety training at the residential development stage of the residential development division.

<sup>11</sup> The above statistics only include relevant data on the development stage of commercial complexes, excluding relevant data on the operation and management stages of commercial complexes.

<sup>12</sup> The above statistics only include relevant data on the operation and management stages of commercial complexes and exclude relevant data on the development stages of commercial complexes.

## Promotion of Employee Development

### Development Channels and Incentive Mechanism

Seazen is constantly refining its selection and hiring processes to provide smooth development paths for employees, enlarge the pool of senior-level talent, and establishing a more scientifically rational hierarchical structure. Seazen aspires to develop a talent gathering hub by nurturing and selecting excellent young executives.

Seazen has established a "dual-channel" advancement system encompassing both "professional & management" trajectories for all employees, along with internal talent mobility programs such as the "Renewal Plan" and the "Water Plan." This framework empowers employees to select career pathways aligning with their development. To foster broad learning experiences across departments, we have established the renewal and competitive pathways. These pathways are intended to motivate employees to independently select their career paths based on career planning, thus nurturing a talent development culture focused on "cultivating even better talent with outstanding individuals."

In 2023,  
a total of

**1,100** employees

have been promoted through the "dual-channel" promotion pathway.



The group has established a comprehensive incentive system, determining the compensation package for all employees (including directors) based on individual performance, work experience, and prevailing market salary levels. This package includes basic salary, cash bonuses, and stock-based compensation. Promotions are also based on individual strengths and potential, providing employees with competitive compensation and development opportunities. Furthermore, we have implemented a long-term incentive mechanism through stock incentive plans to reward employees for their significant contributions to the Company's long-term development. By aligning company interests with those of management, we aim to motivate senior executives and core employees, nurturing self-motivation for employee development. The subsidiary Seazen Holdings has formulated an *Annual Incentive Plan*, which encompasses fixed salaries, incentives, follow-up investments, restricted stocks, and options. We continuously optimize the compensation management system to enhance the Company's ability to attract and retain exceptional talents, both internally and externally. This ensures that employee compensation balances internal equity with external competitiveness, thereby stimulating employee vitality and creativity.

### Democratic Management

Seazen fully respects the status of employees and consistently enhances the mechanism for democratic management of enterprise affairs, with the staff representative assembly serving as the fundamental structure. By convening the staff representative assembly, the group fully listens to the opinions and suggestions of the employees, ensuring their right to information, participation, expression, and supervision, thus safeguarding the legitimate rights and interests of both the Company and the employees.



Convening the Staff Representative Assembly Successfully

In 2023, Seazen Holdings, a group subsidiary, convened the Staff Representative Assembly to solicit staff opinions and proposals. Seazen Holdings revised and issued five institutional documents after negotiation, discussion, and voting: *Employee Code of Conduct of Seazen Holdings (2023)*, *Welfare Subsidy Management Measures of Seazen Holdings (2023 Edition)*, *Attendance and Leave Management Measures of Seazen Holdings (2023 Edition)*, *Resignation and Retirement Management Measures of Seazen Holdings (2023 Edition)*, and *Performance Management Measures of Seazen Holdings (2023 Edition)*. These documents clarify the responsibilities, rights, and obligations of both the Company and its employees, therefore improving the Company's compliance with laws and regulations and management capabilities, while also strengthening cohesion within the enterprise.

Moreover, the group also improved the "Suggestion Box" system.

In 2023, the system received a total of **727** employee suggestions, out of which **283** were adopted.

Among these, **228** suggestions were implemented and closed, resulting in a high closure rate of **81%**.

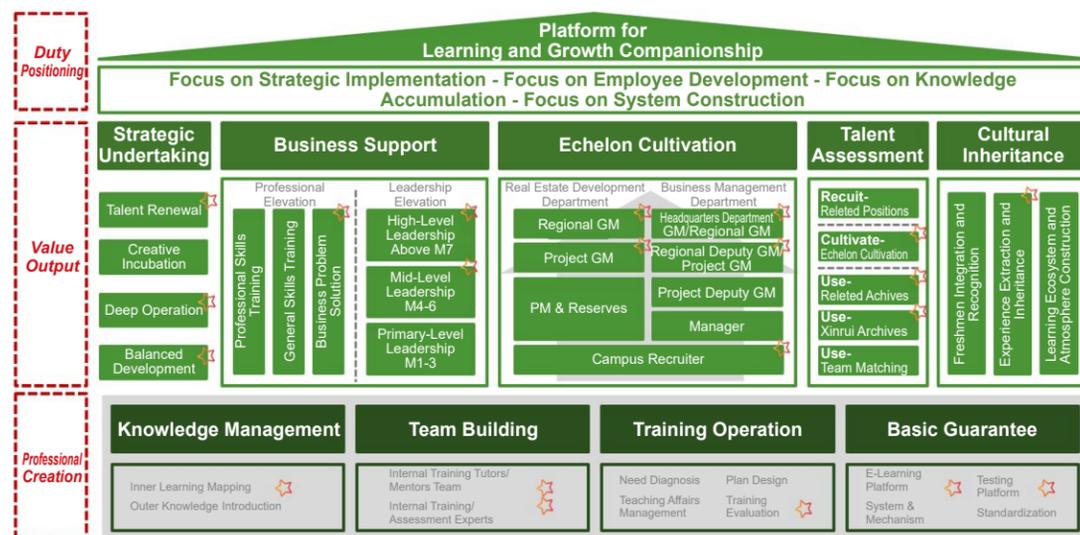
The employee dedication index reached **75%**.

The Group greatly improved employee sense of belonging and engagement by listening to and resolving their issues, as well as adopting their recommendations.



## Talent Training

Seazen is dedicated to providing its employees with high-quality development platforms. Guided by the Company's strategy and business objectives, Seazen has established an assessment and training center that focuses on strategic fulfillment, employee development, knowledge accumulation, and system construction. It revolved around the "1, 3, 4, 7" framework to drive the implementation of work in 2023.



Creating a Platform for Learning and Growth Companionship

We have established a comprehensive *Training Management System* that routinely reviews and dynamically adjusts the grade matching requirements for various job competency sequences. We have developed diverse training content for employees at various stages of growth and in numerous professional fields. We use both online and offline methods to organize programs such as the "Evergreen Plan," "Renewal Plan," "Talent Evaluation Workshop," "Xinrui Power Camp," and "Integration of New Employees," thereby expanding avenues for talent development.

In 2023,

The total investment in employee training amounted to

**5.84** million yuan

**4,145** training sessions were conducted

Reaching a total of **235,798** employees

The average online training duration per person was **39.41** hours

The coverage rate for online training among employees is

**100%**

The proportion of ordinary employees who received online training was

**88.36%**





# 05

## SHARED VALUES FOR BUILDING A HOMETLAND OF HAPPINESS

Sustainable Business Model  
 Product Safety and Quality  
 Innovative and Digital Products  
 Community Communication and Integration  
 Promotion for Regional Development  
 Rural Revitalization Services

<p><b>1</b> NO POVERTY</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>		

As a responsible corporate citizen, Seazen wields its business prowess to champion urban renewal. By generating multifaceted benefits across economic, environmental, and societal well-being dimensions, we transform the communities we serve into harmonious and inclusive homeland of happiness. Dedicated to social welfare for years, we have contributed to educational equity, environmental stewardship, and green communities. Capitalizing on our positive corporate influence, we boost the well-being of society. In 2023, a total investment of 42.02 million yuan has been made in public welfare donations and rural revitalization.

## Urban Renewal

Seazen actively responds to the national initiative for integrated urban renewal. Harnessing the Group's expertise in business and resource integration, we keep exploring and nurturing opportunities for sustainable communities and urban renewal. A rich array of urban revitalization projects have been developed, including transforming brownfield sites and creating commercial districts. Our urban renewal projects in four cities, i.e., Changzhou, Guiyang, Taizhou and Yancheng, are under proactive layout. Through multi-dimensional collaborations across different sectors and business forms, we improve the structure and quality of urban spaces to generate comprehensive economic, environmental, and social benefits to cities.



### Case: Hanjiang Road's Upgrade Generates Diverse Benefits for Changzhou

Seazen's unwavering endeavor in urban renewal has forged a comprehensive ecosystem across feasibility study, planning and design, resource integration, development and construction, and merchant operations. By contributing to Hanjiang Road's upgrade, we have opened new avenues for urban fabric development and enriching the public's quality of life.

This upgrade started from business forms and branding. We increased economic benefits by elevating the merchants' target business forms. We generated environmental benefits by forming a dedicated team to address environmental issues, such as cooking fume emissions and discharge of rainwater, sewage and wastewater. We brought social benefits to the public by alleviating congestion through smart street solutions. A service team, consisting of the subdistrict, communities and volunteers, was also set up to create a new urban space that integrates communities, the block, innovation, and entrepreneurship.

The successful upgrade of Hanjiang Road in Changzhou exemplifies Seazen's impactful strides in urban renewal. The road has become a demonstration for the district's and even the city's transformation of old blocks, setting a new model for urban renewal in Jiangsu. In 2023, Hanjiang Road was selected in the second batch of provincial-level tourism and leisure blocks.



Site View of Hanjiang Road Block



### Case: Guang'an Wuyue Plaza Elevates Regional Commercial Value

In 2023, Guang'an Wuyue Plaza, Seazen's first commercial block in a courtyard format and the city's first featured scenic area complex that integrates culture, commerce, and tourism, was officially unveiled, aiming to redefine city life and impression.

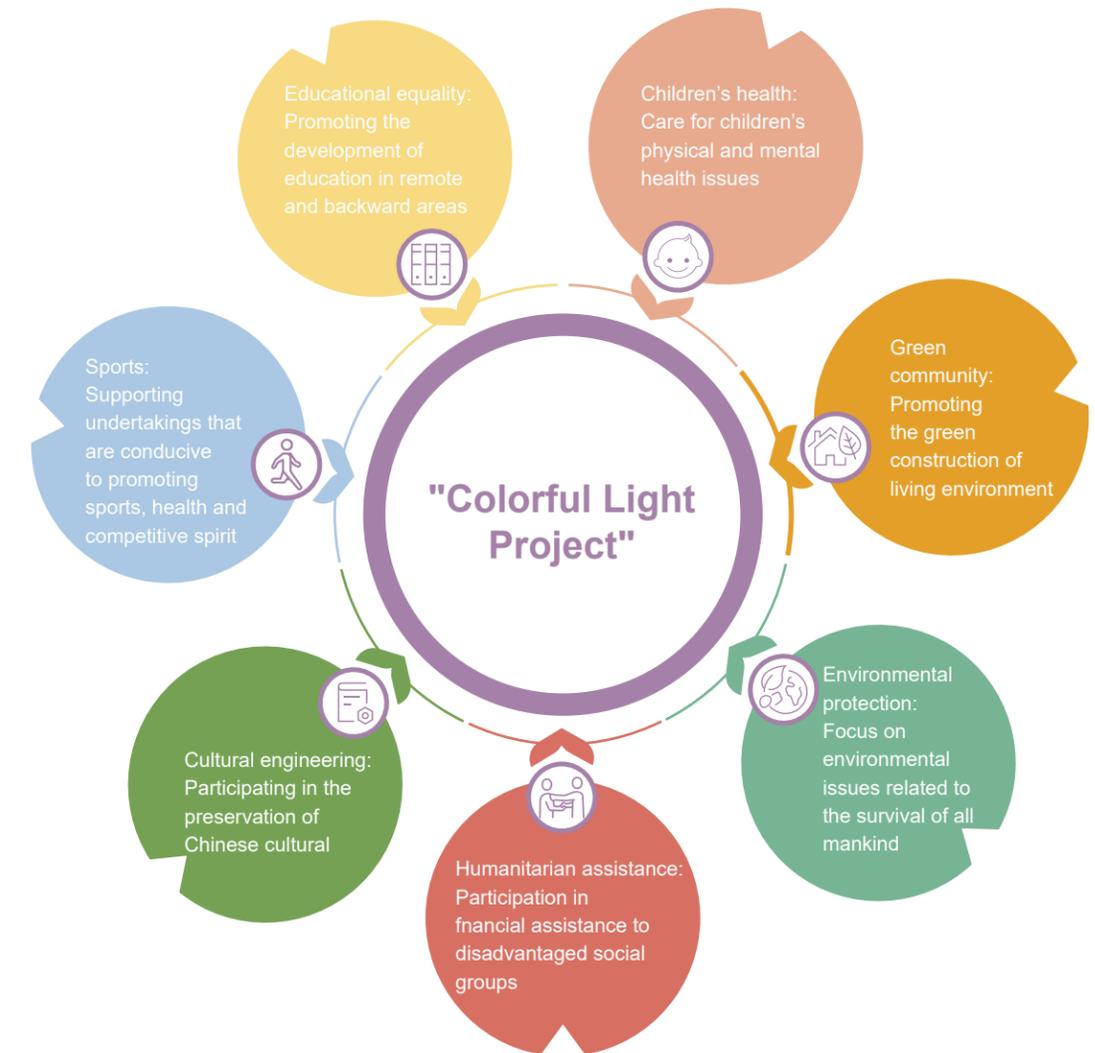
Since its delivery in March, the project has attracted over 300 brands, achieving a leasing rate of 90% and an opening rate of 80%. By catering to the varied experiential demands of urban residents, it has increased the area's and even the city's commercial value, leading the way in consumer upgrading.



Guang'an Wuyue Plaza Courtyard Commercial Block

## "Colorful Light Project"

In 2023, Seazen celebrated the tenth anniversary of its public welfare brand, "Colorful Light Project". This decade-long journey has seen the Group intensify efforts in seven sectors: educational equality, children's health, green communities, environmental protection, humanitarian assistance, cultural engineering, and sports. Our goal is to develop a wide-reaching public welfare platform that advances social progress. In 2023, Seazen organized a total of 415 charity events, with nearly 290,000 participants. The donation amount reached nearly 22.5 million yuan. There were over 2,400 volunteers, with a total volunteer service duration exceeding 16,400 hours.



### Educational Equity

The Glorious Library, Seazen's core welfare project for educational equity, celebrates its decade journey, heartfelt and collaborative philanthropy by the Seazen family. Starting with our first library at Xiangshi Primary School in Longfu Town, Liuyang City, Hunan Province in 2013, we have tirelessly worked on increasing book donations, upgrading reading spaces, and enriching classroom activities. Our footprint extends across 17 provinces and two municipalities, impacting 68 rural schools with over 160,000 books donated. Volunteers from across the nation are rallied to join our team, lighting up the path to success for rural students. Seazen is on a mission to establish 100 Glorious Libraries by 2028, championing the cause for quality rural education.



数据统计截止日期: 2023年6月30日

-   
 全国  
16省
-   
 2大  
直辖市
-   
 66所  
学校
-   
 15万多册  
书籍
-   
 数万名  
学生

Nationwide Footprint of Glorious Libraries



**Case: "Glorious Libraries" supported the growth of rural students in 2023**

In its tenth year, the Glorious Library project first touched down in Gaolou Primary School in Gaolou Town, Tongliang District, Chongqing, bringing 2,000 new books, two bookshelves, and four reading table-and-chair sets, among other donations. Our volunteers prepared enriching educational programs that blend knowledge and skills to broaden students' horizons and deepen their understanding of the world.



Thoughtful donations for students



Visits to children in difficulties

Seazen collected 4,268 books from book donation boxes at 16 Wuyue Plazas across Changzhou and southern Zhejiang in 9 days. These books, together with 988 new desk-and-chair sets, were donated to three rural schools, including Tuangang Center Primary School in Haitong Township, Puyang County, Henan Province and Banmu Primary School in Babao Town, Wenshan Zhuang and Miao Autonomous Prefecture, Guangnan County, Yunnan Province.



Donated books at reading corners



A comparison of past and present classrooms

The project's expansion to Xinjiang brought a rejuvenated library and 2,000 specially procured books, as well as 523 books donated from Seazen's headquarters. To enrich their learning experience, volunteers organized a variety of courses and themed class meetings for students, igniting a passion for learning among them.



Huang Chunlei holding the board



Class Meeting on the Youth's Ideal Education

## Environmental Protection

Initiated in 2018 as a collaborative effort with the China Green Foundation's Million Forest Plan, the "Colorful Light Project - New Green Action" aims to enhance the ecology of climate-vulnerable regions and mitigate global desertification through its rallying call: "One Person for One Tree".

From 2018 through 2021, Seazen, together with its workforce and property owners, planted approximately 100,000 trees, transforming 1 million square meters of desert.

Building on achieving the goal set for the first five-year plan period ahead of schedule, Seazen unveiled a subsequent five-year ambition: to plant 500,000 trees and green 5 million square meters of desert.

Leveraging the New Green Action, Seazen has donated 185,000 trees seedlings, greening 1.8 million square meters of desert in total in activities like the Seazen True Path Hiking, the Seazen Grand Path Hiking, and the XIN Charity Run.



### Case: The "New Green Action" Safeguards Environmental Sustainability

In 2023, a team of 23 Seazen volunteers journeyed over 2,000 kilometers to the Tengger Desert in Alxa for the New Green Action – Spring Planting Plan, demonstrating Seazen's commitment to environmental stewardship through reforestation efforts aimed at desert greening.



Group Photo of Volunteer Team



### Case: XIN Charity Run x New Green Action

From January to March 2023, Seazen's XIN Season launched an initiative for green and low-carbon life, organizing 11 XIN Charity Run activities at Wuyue Plazas, fitness parks, and other outdoor spaces. For each race participant completing the run and checking in, Seazen pledged to plant a sapling in the Alxa Desert's Seazen Charity Forest, totaling 1,700 saplings donated.



XIN Charity Run

## Happy Public Welfare Market

Themed on "Love", the Happy Public Welfare Market expands the scope of happiness by caring for the youth, aiding the disabled, and supporting farmers through charitable sales and donations. In 2023, continuing the theme of "Rural Revitalization", Seazen purchased agricultural products from seven provinces and distributed them across ten business regions under the Real Estate Development Division.



### Case: Spreading Warmth through the Happy Welfare Market

Marking its seventh anniversary, Seazen organized charitable activities in both North and Northwest regions under the theme "Happiness Arrives as Scheduled". It featured online support activities for farmers by collecting likes and offline charity markets, with proceeds from agricultural products sold at 20% of their original prices donated to support disabled children and eldercare facilities. Beyond a charity market, the Northwest region hosted additional events such as a water carnival, a children's talent show, and a fall hiking competition, encouraging broader participation and the sharing of kindness.



Happiness Upgrade after a Thirty-year Journey

## Social Welfare

### Rural Revitalization

As a responsible corporate citizen, Seazen actively broadens its sphere of responsibility and heeds the national call to action. Utilizing the "Happy Party Building" brand creation as a cornerstone, we employ the Party's organizational system building to enhance our fulfillment of social responsibilities. Focusing on four key areas—support for consumption, industry, education, and ecological revitalization—we have spurred new advancements in rural revitalization.

In 2023, our financial contributions to rural revitalization amounted to RMB 19.5202 million, achieving good social and economic benefits.

- Consumption support**
  - We devised the Chestnut Festival themed on "Seazen's Sincerity, Applause for Chestnuts", aiding farmers by broadening sales channels for chestnuts and similar agricultural products, thus supporting rural revitalization.
  - We customized puzzle gifts in partnership with the Dunhuang culture IP, igniting the intrinsic drive for cultural rejuvenation.
- Industrial support**
  - In 2023, we contributed RMB 1.69 million to the Housing and Urban-Rural Development Bureau of Xiling District, Yichang, City earmarked for pedestrian overpass construction.
- Educational support**
  - We entered into the Agreement on Free Transfer of Complementary Schools and Introduction of Quality Educational Resources with the government of Wanbailin District, the Education Bureau of Wanbailin District, and Taiyuan Experimental Primary School, with a commitment of over RMB 2 million.
  - We donated RMB 100,000 to establish an Education Development Foundation in Sanxing Town, Haimen District, Nantong City.
  - Our charity sales raised RMB 100,000, aiming to donate over 300 desk lamps to the families of primary school students in the mountainous villages of Yongshen County, Yunnan Province.
- Ecological rejuvenation**
  - In May 2023, we donated RMB 100,000 to the Ningxia Afforestation and Sand Industry Development Foundation for sand prevention and control, and RMB 500,000 to the China Green Foundation.

## Health and Welfare

In light of China's rapidly aging population, the elderly care industry is on the rise as a new economic pillar supported by the government. Seazen has proactively tapped into this development by introducing its health and wellness brand, "Caring & Sharing", in 2019. Our purpose is to become a frontrunner in delivering exceptional health and wellness services that spread happiness and make the pursuit of well-being simpler.



### Case: Collaboration between BenQ Medical Center and Caring Sharing Home

In April 2023, a medical collaboration agreement was formalized between BenQ Medical Center affiliated with Nanjing Medical University and Caring Sharing Home. Our Caring Sharing Home boasts 230 serviced apartments and 234 nursing beds, dedicated to offering a comprehensive elderly care experience that seamlessly integrates institutional, community, and home-based elderly care. Embracing a model that combines medical care and elderly care, this project is designed to render medical services for the elderly in partnership with BenQ Medical Center.



## OUTLOOK

Building upon the past three-decade journey, Seazen is poised at a new juncture:

- We are set to be a business of this age, diligently fortifying our corporate governance system to bolster unity and cohesion. Together with like-minded partners, we share the fruits of value co-creation, establishing a foundation that will stand the test of time.
- We aspire to always stand by our customers. Embracing a customer-centric philosophy, we will continue research into products and services, becoming an architect and companion of a happy life our customers pursue.
- We commit to performing our due responsibilities. By valuing natural and social resources, we will foster a deeper connection with society through public welfare and contribute to sustainability in green action, moving in tandem with our era and alongside the future.
- We envision transcending the constraints of time. Upholding long-termism and quality, we will deliver exceptional products that keep up with people's ever-growing needs for a better life, navigating through the cycles of time as its ally.



## APPENDIX I HKEX ESG REPORTING GUIDE INDEX

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.	Control of Environmental Impact
Key Performance Indicators	A1.1	The types of emissions and respective emissions data.	Control of Environmental Impact
	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).	Environmental Performance
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	A1.5	Description of emissions target (s) set and steps taken to achieve them.	Control of Environmental Impact
	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.	Control of Environmental Impact
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	Control of Environmental Impact
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).	Environmental Performance
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Control of Environmental Impact
	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. Control of Environmental Impact
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Environmental Performance
Aspect A3: The Environmental and Natural Resources			
General Disclosure		Policies on minimizing the issuer's significant impact on the environment and natural resources.	Leading Green Buildings and Commerce Control of Environmental Impact
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.	Leading Green Buildings and Commerce Control of Environmental Impact
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.	Tackle Climate Change
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.	Tackle Climate Change
SOCIAL			
Subject Areas, Aspects, General Disclosures and KPIs			Section and Page

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.	Diversified Talent Introduction
Key Performance Indicators	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Diversified Talent Introduction
	B1.2	Employee turnover rate by gender, age group and geographical region.	Diversified Talent Introduction
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 Protection
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 Protection
	B2.2	Lost days due to work injury.	Occupational Health Protection
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health Protection
Social Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work.	Promotion of Employee Development
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Promotion of Employee Development
	B3.2	The average training hours completed per employee by gender and employee category.	Promotion of Employee Development
Aspect B4: Labour 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.	Diversified Talent Introduction
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Diversified Talent Introduction
	B4.2	Description of steps taken to eliminate such practices when discovered.	Diversified Talent Introduction 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 Management
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	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 Management
	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 Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Supply Chain Management
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.	Strict Control Over Product Quality

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.	Sincere Customer Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	A Solid Foundation for Corporate Governance
	B6.4	Description of quality assurance process and recall procedures.	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.	Sincere Customer Services
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.	A Solid Foundation for Corporate Governance
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.	A Solid Foundation for Corporate Governance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	A Solid Foundation for Corporate Governance
	B7.3	Description of anti-corruption training provided to directors and staff.	A Solid Foundation for Corporate Governance
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.	SHARED VALUES TO BUILD HAPPY HOMELAND
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	SHARED VALUES TO BUILD HAPPY HOMELAND
	B8.2	Resources contributed (e.g. money or time) to the focus area.	SHARED VALUES TO BUILD HAPPY HOMELAND

## 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](mailto: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

Integrity:  Very good  Good  General  Poor  Very poor

5. Do you think the content arrangement and plate 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!